Date of Evaluation: **APRIL 10, 2023**

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Name of Depository Institution: **CUSTOMERS BANK**

Institution's Identification Number: **2354985**

Address: **1015 PENN AVENUE**

WYOMISSING, PENNSYLVANIA

FEDERAL RESERVE BANK OF PHILADELPHIA
TEN INDEPENDENCE MALL
PHILADELPHIA, PENNSYLVANIA 19106

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INSTITUTION'S CRA RATING

OVERALL RATING: SATISFACTORY

The following table indicates the performance level of Customers Bank (Customers) with respect to the lending, investment, and service tests.

PERFORMANCE TEST RATINGS TABLE

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

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

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to this rating include:

- The borrower distribution of loans reflects excellent penetration among retail customers of different income levels and excellent penetration among business customers of different sizes;
- The geographic distribution of loans reflects excellent penetration throughout the assessment area;
- The bank has made an adequate level of community development loans;
- The bank has made an adequate level of qualified investments and donations; and
- The bank provides a relatively high level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Customers was rated satisfactory at its previous CRA evaluation dated November 2, 2020, which used the Interagency Large Institution CRA Examination Procedures.

Customers is a state-chartered full-service commercial bank headquartered in Malvern, Chester County, Pennsylvania.[1] The bank is a multistate financial institution, providing a variety of consumer and commercial banking services through six full-service branches: two in Berks County, Pennsylvania; one in Bucks County, Pennsylvania; one in Chester County, Pennsylvania; one in Westchester County, New York; and one in Mercer County, New Jersey. None of the bank's branches are located in low-income census tracts, one branch is located in a moderate-income census tract (17%), two branches are located in middle-income census tracts (33%), and three branches are located in upper-income census tracts (50%). In addition to its full-service branches, Customers operates three loan production offices (LPOs) within its assessment areas: one in a moderate-income census tract in the Philadelphia, PA assessment area, one in a middle-income tract in the Trenton, NJ assessment area, and one in an upper-income tract in the New York, NY assessment area.[2] The bank has two wholly-owned non-bank subsidiaries, Customer Commercial Finance, LLC, and Devon Services, LLC.

Customers is a wholly-owned subsidiary of Customers Bancorp, Inc., a bank holding company with consolidated assets of $20.9 billion (as of December 31, 2022), located in West Reading, Pennsylvania.

The table on the following page details the locations of Customers' branches and LPOs as of the evaluation date.

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[1] The bank's main office in Malvern, PA was opened on June 15, 2022, after the closure of its previous main office in Phoenixville, PA. The Malvern location serves as corporate offices only, and does not include a banking branch.

[2] In total, Customers operates 26 loan production offices. Specifically, the bank operates 11 traditional LPOs, one warehouse lending office, one commercial finance/equipment leasing office, and employs 13 lenders producing loans out of their personal residences (two traditional lenders, nine SBA-focused lenders, and two warehouse lenders). Three LPOs are within the bank's assessment area. The remaining offices are located in Alabama (one), California (three), Florida (three), Illinois (one), Kentucky (two), Massachusetts (one), Nevada (one), New Hampshire (one), New York (one), North Carolina (three), Pennsylvania (two), Rhode Island (one), and Texas (three).

Customers Bank Branch Locations			
Assessment Area	**County**	**State**	**Number of Branches / Offices**
Full-Service Branches			
Philadelphia, PA	Bucks	Pennsylvania	1
Philadelphia, PA	Chester	Pennsylvania	1
Reading, PA	Berks	Pennsylvania	2
New York, NY	Westchester	New York	1
Trenton, NJ	Mercer	New Jersey	1
Total Full-Service Branches			**6**
Loan Production Offices			
Philadelphia, PA	Philadelphia	Pennsylvania	1
New York, NY	Richmond	New York	1
Trenton, NJ	Mercer	New Jersey	1
Total Loan Production Offices			**3**

According to the Consolidated Reports of Condition and Income (Call Report) as of December 31, 2022, Customers reported $20.9 billion in assets, of which $15.8 billion, or 76%, were loans.

On a dollar volume basis, commercial loans (comprised of commercial mortgage and commercial and industrial loans) represent the largest segment of the bank's loan portfolio, at $5.3 billion or 34% of the loan portfolio. Loans to non-depository financial institutions were the second largest segment of the loan portfolio, comprising $4.9 billion or 31% of the portfolio. These loans include Customers' mortgage warehousing lending operation, where the bank provides temporary financing to mortgage brokers. The brokers then fund residential mortgage loans, which are eventually sold to investors or the secondary market. Finally, residential loans (comprised of open-end and closed-end loans secured by residential properties, and multifamily loans) represent the third largest segment of the portfolio, at $3 billion or 19% of the loan portfolio.

The composition of the bank's loan portfolio as of December 31, 2022, is presented in the table on the following page.

Customers Bank		
LOANS as of 12/31/2022	**$ (000s)**	**%**
Loans Secured by Nonfarm Nonresidential Properties (Commercial Mortgages)	1,895,989	12.0
Commercial and Industrial Loans	3,393,997	21.5
Secured by Farmland	6,444	<0.1
Secured by Residential Properties (Closed-end)	632,733	4.0
Secured by Residential Properties (Open-end)	15,545	<0.1
Secured by Multifamily Residential Properties	2,349,227	14.9
Construction & Land Development	142,303	0.9
Consumer Loans	1,733,390	11.0
Loans to Finance Agricultural Production & Other Loans to Farmers	17,565	0.1
States and Political Subdivisions	2,276	<0.1
Loans to Non-depository Financial Institutions	4,908,082	31.1
Other Loans	539,749	3.4
Other Leases	157,370	1.0
TOTAL LOANS	**15,794,670**	**100.0**

Small Business Loans

Schedule RC-C Part II (Loans to Small Businesses and Small Farms) of the Call Report as of December 31, 2022, indicates that $1.2 billion (23%) of the bank's outstanding commercial loans[3] were designated as small business loans. At the previous CRA evaluation, Customers' outstanding commercial loan volume was $8.1 billion, of which $4.4 billion (55%) was designated as small business loans. The decrease in the bank's small business lending can in large part be attributed to the bank's participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP)[4]. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less, as detailed in the table.

Customers Bank Small Business Loans		
	Amount Outstanding as of 12/31/2022 $ (000s)	**%**
Loans with original amounts of $100,000 or less	652,718	12.3
Loans with original amounts of $100,001 through $250,000	205,392	3.9
Loans with original amounts of $250,001 to $1 million	363,409	6.9
TOTAL SMALL BUSINESS LOANS	**1,221,519**	**23.1**
Loans with original amounts of more than $1,000,000	4,068,467	76.9
TOTAL COMMERCIAL LOANS	**5,289,986**	**100.0**

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[3] Commercial loans are comprised of loans secured by nonfarm nonresidential properties, along with commercial and industrial loans.

[4] Established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Paycheck Protection Program directed hundreds of billions of dollars to small businesses and other organizations adversely affected by the COVID-19 crisis, providing resources to maintain payrolls and to cover business overhead. This program, which offered low-interest uncollateralized loans to small businesses, was available from April 3, 2020 through May 31, 2021.

The bank's asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment areas. There are no legal or other impediments that would hamper the bank's ability to meet community credit needs.

DESCRIPTION OF ASSESSMENT AREAS

For purposes of the CRA, Customers has designated four assessment areas, as follows:

(1) The Philadelphia, PA Assessment Area, which consists of two Metropolitan Divisions (MDs): the Montgomery-Bucks-Chester County, PA MD, which consists of Montgomery, Bucks and Chester counties; and the Philadelphia, PA MD, which consists of Delaware and Philadelphia Counties. Both MDs are part of the larger Philadelphia-Camden-Wilmington PA-NJ-DE-MD, Metropolitan Statistical Area (MSA).

(2) The Reading, PA Assessment Area, which consists of Berks County, PA, and encompasses the entire Reading, PA MSA.

(3) The New York, NY Assessment Area, which consists of Bronx, Kings, New York, Queens, Richmond, and Westchester Counties in New York, located in the New York-Jersey City-White Plains, NY-NJ MD. This MD is part of the larger New York-Newark-Jersey City, NY-NJ-PA MSA.

(4) The Trenton, NJ Assessment Area, which consists of Mercer County, NJ and encompasses the entire Trenton-Princeton, NJ MSA.

The bank's assessment areas were determined to comply with the requirements of the CRA, and do not arbitrarily exclude low- or moderate-income census tracts.

Customers' assessment area has not changed from the previous CRA evaluation.

SCOPE OF EXAMINATION

The current evaluation of the bank's CRA performance covers the period from November 3, 2020, through April 10, 2023, in accordance with the Interagency Large Institution CRA Evaluation Procedures adopted by the Board of Governors.

Under the lending test, loan products evaluated[5] include:

- Home purchase, home improvement, and multifamily loans and the refinancing of such loans, open-end lines of credit, closed-end mortgage loans, and loans with purpose "not applicable," collectively titled Home Mortgage Disclosure Act (HMDA) loans, reported by the bank for calendar years 2020 and 2021[6];
- Small business loans reported by the bank, pursuant to the CRA, for calendar years 2020 and 2021; and
- Other loans that qualified as community development loans during the entire evaluation period from November 3, 2020, through April 10, 2023.

Customers originated a total of 1,064 HMDA loans totaling $488 million throughout its assessment areas over the evaluation period. The bank originated 31,984 small business loans totaling $962 million within its assessment areas during the evaluation period. A significant portion of the bank's small business lending was conducted pursuant with the PPP, which was a temporary lending facility offered from April 3, 2020, to May 31, 2021. A significant portion of the bank's small loans to businesses did not contain revenue information, as permitted under the CRA CARES Act reporting requirements. Small business loans were given the most weight in determining Customers' overall rating; HMDA loans had the second highest weight.

Customers' HMDA and small business loans were compared to the aggregate of all lenders in the bank's assessment areas that report home-mortgage loans pursuant to HMDA, and small business loans pursuant to CRA. These data are reported annually.

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[5] Small farm lending is not included in this evaluation due to the low number of loans.

[6] On January 18, 2018, the Consumer Financial Protection Bureau's (CFPB) amendments to Regulation C became effective. See 80 FR 66128 (Oct. 28, 2015) (1) the types of institutions that are subject to Regulation C (covered institutions); (2) the types of transactions that are subject to Regulation C (covered loans); (3) the types of data that institutions are required to collect, record and report pursuant to Regulation C; and (4) the corresponding processes for reporting and disclosing HMDA data.) The Board of Governors, along with other agencies, amended their regulations implementing the CRA to conform with the CFPB regulation changes. Of note, changes include the "home-mortgage loan" definition in the CRA regulations to mean a "closed-end mortgage loan" or an "open-end line of credit," as those terms are defined in, and that are not excluded transactions under, amended Regulation C. As a result, home improvement loans that are not secured by a dwelling, which were previously required to be reported under Regulation C, are no longer reportable transactions; Home equity lines of credit (HELOCs) secured by a dwelling, which were previously reported at the option of the financial institution under Regulation C, are now covered transactions under HMDA; Also, "home equity loan" was deleted from the CRA definition of "consumer loan" because home equity loans are now included within the CRA definition of "home-mortgage loan." Finally, the CFPB amended the HMDA reporting thresholds. Institutions must report closed-end, dwelling-secured loans if they originate at least 25 in each of the two preceding calendar years, and must report open-end, dwelling-secured lines of credits if they originated at least 200 in each of the two preceding calendar years.

Examiners also analyzed the demographic characteristics of each assessment area as one way to measure loan demand. Demographic information should not be construed as defining an expected level of lending for a particular loan product, group of borrowers, or geography. Rather, demographic data provides a business context for the bank's performance in the assessment areas where it operates. Further, bank management provided information regarding the bank's lending activities, credit demand, and competition.

For purposes of evaluating the geographic distribution of loans by census tract type, census tracts were classified on the basis of 2015 American Community Survey (ACS) data for loans made in 2020 and 2021. The distribution of HMDA loans to borrowers of different income levels was based upon annually-adjusted median family income data for each of those years, made available by the Federal Financial Institutions Examination Council (FFIEC). All other demographic indices and statistics presented throughout this evaluation are based on 2015 ACS data in 2020 and 2021, unless otherwise noted.

For small business loans, examiners used Dun & Bradstreet data for comparison purposes for the applicable years. Dun & Bradstreet collects and publishes this self-reported data detailing the revenues and locations of local businesses.

To supplement economic, demographic, and performance data, and to gain a better perspective on community credit needs, interviews were conducted with eight community representatives within the bank's four assessment areas (four in Pennsylvania, two in New York, and two in New Jersey). Discussions were held with four organizations focused on affordable housing, two organizations focused on economic development, and two organizations focusing on community services. More information about the contacts and the community development and credit needs identified by the contacts is available in the discussions of each assessment area.

For purposes of assessing the bank's overall CRA performance, greatest weight was given to performance in the Commonwealth of Pennsylvania, where a substantial majority of the bank's operations, deposits, and lending were located. Specifically, four of the bank's branches (67% of total branches) were located in Pennsylvania. These four branches held just over half of the bank's deposits. Finally, 21% of the bank's loans by number, and 36% of loans by dollar volume were made in the Pennsylvania assessment areas.

In reaching the statewide conclusions within Pennsylvania, greatest weight was given to the bank's performance in the Philadelphia, PA assessment area, which contained two of the bank's branches (33% of total branches), held 3% of the bank's deposits, 17% of loans by number, and 23% by dollar volume. The Reading, PA assessment area was given the second highest weight in Pennsylvania and overall, as it contained two branches (33% of total branches), 47% of the bank's deposits, and 4% of loans by number, and 13% by dollar volume. Both the Philadelphia, PA and Reading, PA assessment areas were reviewed using full-scope procedures.

In determining the bank's overall rating, the New York, NY assessment area was assigned the third-greatest weight of the four assessment areas, and a full-scope review of the assessment area was conducted. The New York, NY assessment area included one branch location (just under 17% of total branches), which generated 40% of the bank's deposits, and 78% of loans by number, and 62% by dollar volume.

Finally, the least amount of weight was assigned to the bank's operations in the Trenton, NJ assessment area. In the Trenton, NJ assessment area, the bank operated one branch (under 17% of total branches), which accounted for 9% of the bank's deposits, 1% of loans by number, and under 2% by dollar volume.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Performance under the lending test is rated outstanding. The lending test evaluated an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Concentration of lending within assessment areas, including HMDA and small business lending;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of different sizes, including small businesses;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Lending Activity

Overall, the bank's lending activity demonstrates good responsiveness to the credit needs of its assessment areas.

As indicated earlier, as of December 31, 2022, Customers reported total loans of $15.8 billion, or 76% of total assets. At the previous evaluation conducted as of November 2, 2020, total loans measured $15.3 billion and represented 85% of total assets, using June 30, 2020 Call Report data.

The bank's loan-to-deposit ratio averaged just below 106% over the 10-quarter period ending December 31, 2022, while the peer group ratio averaged almost 76% over the same time frame[7].

The table on the following page depicts the bank's HMDA and CRA lending activity during the evaluation period.

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[7] Customers' Uniform Bank Performance Report (UBPR) peer group includes insured commercial banks having assets between $10 billion and $100 billion.

Customers Bank Summary of Lending Activity				
Loan Types	#	%	$ (000s)	%
Home Improvement	3	<0.1	3,977	<0.1
Home Purchase	1,020	0.3	185,918	1.8
Multifamily Housing	90	<0.1	615,140	5.9
Refinancing	391	0.1	107,189	1.0
Total HMDA related	**1,504**	**0.4**	**912,224**	**8.8**
Small Business	358,606	99.6	9,473,146	91.2
Total Small Business related	**358,606**	**99.6**	**9,473,146**	**91.2**
TOTAL LOANS	**360,110**	**100.0**	**10,385,370**	**100.0**

Assessment Area Concentration

An analysis was performed to determine the volume of loans extended inside and outside of the bank's assessment areas. The analysis consisted of an evaluation of Customers' HMDA and small business loans. The assessment area concentration analysis indicated that a very small percentage of loans were made in the bank's assessment areas.

More specifically, during the evaluation period, Customers made 71% of HMDA loans by number, and 54% by dollar amount in the bank's assessment areas. This level of lending by number of loans is an increase from the previous evaluation, when 58% of the total number of HMDA loans were extended inside the bank's assessment areas, and is a decrease by dollar amount from the previous evaluation, when 63% of total dollars were extended inside the bank's assessment areas.

With respect to small business loans, 9% of the number of small business loans, and 10% of the aggregate dollar amount of loans were extended in the bank's assessment areas. This is a notable decrease from the previous evaluation, when 65% of the total number of small business loans, and 55% by dollar amount were extended inside the bank's assessment area. This change is due to the bank's significant PPP lending volume, which took place nationwide.

Overall, 9% of all loans by number, and 14% of loans by dollar volume were made within the four assessment areas included in the evaluation.

The table below shows the distribution of lending inside and outside the bank's assessment areas.

Customers Bank Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	$ (000s)	%	#	%	$ (000s)	%
Home Improvement	2	66.7	227	5.7	1	33.3	3,750	94.3
Home Purchase – Conventional	425	71.8	67,309	55.5	167	28.2	53,987	44.5
Home Purchase - FHA	405	95.5	60,590	94.9	19	4.5	3,273	5.1
Home Purchase - VA	3	75.0	612	80.6	1	25.0	148	19.4
Multifamily Housing	55	61.1	312,793	50.8	35	38.9	302,347	49.2
Refinancing	174	44.5	46,686	43.6	217	55.5	60,503	56.4
Total HMDA related	**1,064**	**70.7**	**488,217**	**53.5**	**440**	**29.3**	**424,007**	**46.5**
Total Small Business related	**31,984**	**8.9**	**962,174**	**10.2**	**326,622**	**91.1**	**8,510,972**	**89.8**
TOTAL LOANS	**33,048**	**9.2**	**1,450,391**	**14.0**	**327,062**	**90.8**	**8,934,979**	**86.0**

Borrower and Geographic Distribution of Lending

Home-Mortgage Lending

Overall, Customers' distribution of HMDA loans among borrowers of different income levels, including low- and moderate-income borrowers is excellent, due to excellent performance in both Pennsylvania assessment areas. The bank did not originate enough HMDA loans where borrower income was reported in its New York, NY assessment area to draw a meaningful conclusion regarding borrower distribution, and therefore, this product was not evaluated in that assessment area. Similarly, the bank did not originate enough HMDA loans in the Trenton, NJ assessment area to draw a meaningful conclusion, and thus borrower distribution of HMDA loans was not analyzed in the Trenton, NJ assessment area either.

The geographic distribution of HMDA loans reflects excellent penetration throughout the bank's assessment areas, including in low- and moderate-income census tracts, driven largely by the bank's excellent performance in the Pennsylvania assessment areas. Geographic distribution of HMDA loans was analyzed in 2021 in the New York, NY assessment area, though the volume of HMDA loans precluded analysis in 2020. The bank's geographic distribution of HMDA loans in 2021 was excellent in the New York, NY assessment area. Finally, as stated above, the bank did not originate enough HMDA loans in the Trenton, New Jersey assessment area to draw a meaningful conclusion, and thus the geographic distribution of HMDA loans was not analyzed in that assessment area.

Small Business Lending

Overall, the bank's borrower distribution of small business loans reflects good penetration throughout the bank's assessment areas, driven by the bank's good performance in all four assessment areas.

The geographic distribution of small business loans reflects excellent penetration throughout the bank's assessment areas as a result of overall excellent performance in the Reading, PA, New York, NY and Trenton, NJ assessment areas, and good performance in the Philadelphia, PA assessment area.

Responsiveness to Credit Needs

Overall, Customers exhibits a good record of serving the credit needs of low- and moderate-income individuals and very small businesses. Affordable housing was a credit need identified by community contacts in all of the bank's assessment areas, and the bank's HMDA lending record shows that home-mortgage loans are being originated throughout the assessment area, including loans made to low- and moderate-income borrowers and in low- to moderate-income areas.

Lending to small businesses, particularly low-cost loans for new businesses and entrepreneurs, was also a need expressed by community contacts in the bank's assessment areas. The bank's retail small business lending record shows that such loans are being made throughout the assessment areas. Additionally, the bank's participation in SBA's PPP provided $913 million in emergency loans to small businesses throughout the bank's assessment areas.

More detail on the bank's responsiveness to credit needs can be found within individual assessment area discussions.

Innovative and Flexible Lending Practices

In an effort to address the credit needs of low- and moderate-income borrowers, Customers makes extensive use of several innovative and flexible lending programs in meeting credit needs in its assessment areas. The bank participated in a variety of programs to meet the credit needs of low- and moderate-income individuals and small businesses, as summarized below and detailed in the discussions for each assessment area.

Often, the home-mortgage credit needs of low- and moderate-income borrowers can be more effectively addressed by alternative mortgage products, which have more flexible credit terms than traditional home financing. Throughout its assessment areas, Customers offers mortgage products through the Federal Housing Administration's (FHA) loan program, the U.S. Department of Veterans Affairs (VA) home loan program, the U.S. Department of Agriculture's (USDA) loan program, Fannie Mae's HomeReady® Mortgage Program, the Pennsylvania Housing Finance Agency's (PHFA) loan programs, and a number of down payment and closing cost assistance programs. Additionally, Customers offers its own in-house Affordable Mortgage product offered to low- and moderate-income borrowers that has flexible underwriting standards, no private mortgage insurance, a lower minimum credit score, and higher debt-to-income requirements.

In total, during the evaluation period and throughout its four assessment areas, the bank made 95 FHA loans totaling over $16 million; one VA loan totaling $275 thousand; 33 Home Ready loans totaling $5.6 million; 162 PHFA FHA loans totaling $24.8 million; and 166 PHFA Conventional loans totaling $24 million. Additionally, the bank made 126 proprietary Affordable Mortgage loans totaling nearly $16 million. Finally, a total of 542 down payment and closing cost assistance grants were made through a variety of programs, totaling $4.8 million.

Similarly, to address the credit needs of small businesses in its assessment areas, Customers participates in SBA loan programs, and is a preferred SBA lender. In total, the bank made 23 SBA loans totaling $21.4 million in its four assessment areas.

All special program loans are discussed in more detail by assessment area throughout this Performance Evaluation.

Community Development Lending Activities

The bank makes an adequate level of community development loans.

During the evaluation period, the bank originated 23 community development loans totaling $138 million within its assessment areas. The number of community development loans and the dollar amount of those loans decreased significantly since the previous evaluation, when the bank made 178 community development loans within its assessment areas totaling almost $983 million. However, it is notable that the evaluation period from the previous evaluation was significantly longer than the current evaluation period, and this was considered for performance context purposes throughout this performance evaluation.

By dollar amount of community development loans, the bank's lending was highest in the New York, NY assessment area (11 loans totaling $93.8 million, or 68% of total community development lending volume), followed by the Philadelphia, PA assessment area (five loans totaling $23.8 million, or 17%), and the Reading, PA assessment area (seven loans totaling $20.4 million, or 15%). No community development loans were made in the Trenton, NJ assessment area.

By purpose, 78% of community development loan dollars were for affordable housing activities for low- and moderate-income individuals, almost 16% were for activities that revitalized or stabilized low- or moderate-income areas, 5% were for economic development through the financing of small businesses, and just under 1% provided community development services for low- and moderate-income individuals.

In addition to community development loans made within its assessment areas, Customers made one community development loan totaling $3.5 million in the greater statewide region in Pennsylvania. Because the bank adequately met the community development needs within its Pennsylvania assessment areas, this community development loan also received consideration.

The bank's lending test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

INVESTMENT TEST

Overall, performance under the investment test is low satisfactory. The investment test was rated low satisfactory in all four of the bank's assessment areas.

Overall, Customers has an adequate level of qualified investments and donations, which exhibit adequate responsiveness to community development needs. Qualified investments and donations in the bank's four assessment areas totaled $33 million, which is a decrease from $65 million at the previous evaluation, when a notably longer time frame was evaluated. The vast majority of investment dollars were made in the bank's Philadelphia, PA assessment area ($23.8 million, or 72%), followed by the New York, NY assessment area ($4.1 million, or 12%), the Reading, PA assessment area ($3.2 million, or nearly 10%), and finally the Trenton, NJ assessment area ($1.9 million, or just under 6%).

Of the assessment area investments, 88% supported affordable housing for low- and moderate-income individuals, 4% supported community services targeted to low- and moderate-income individuals, almost 6% supported economic development, and just under 3% supported revitalization/stabilization efforts within the assessment areas.

The bank made five donations totaling $20 thousand in the broader statewide regions of Pennsylvania, New York, and New Jersey. Because the bank adequately met the community development needs of its assessment areas, these donations also receive consideration.

Customers exhibits adequate responsiveness to the credit and community development needs of its assessment areas. The vast majority of the bank's qualified investments and donations supported affordable housing, a primary need noted by community contacts.

Finally, Customers makes occasional use of innovative and/or complex investments to support community development initiatives when opportunities exist.

The bank's investment test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

SERVICE TEST

Overall, performance under the service test is low satisfactory.

The service test was rated low satisfactory in the Philadelphia, PA and Trenton, NJ assessment areas, high satisfactory in the Reading, PA assessment area, and needs to improve in the New York, NY assessment area.

Branch delivery systems, as well as alternative delivery systems such as automated teller machines (ATMs), telephone banking, and online banking, are reasonably accessible to the bank's geographies and individuals of different income levels in its assessment areas. As noted previously, Customers provides retail services through four branches in the Commonwealth of Pennsylvania (over 66% of total branches), one branch in the State of New York (almost 17%), and one branch in the State of New Jersey (almost 17%).

By assessment area, branch locations are as follows: two branches are located in the bank's Reading, PA assessment area (33%); two branches are located in the bank's Philadelphia, PA assessment area (33%); one branch is located in the bank's New York, NY assessment area (almost 17%); and one branch is located in the bank's Trenton, NJ assessment area (almost 17%).

Customers' record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or low- and moderate-income individuals. Since the previous evaluation, the bank has closed seven full-service branches, and one limited-service branch. No new branches have been opened since the previous evaluation. Two branches were in moderate-income census tracts at the time they were closed (the main office in Phoenixville, PA and the branch in Reading, PA).

Banking services do not vary in a way that inconveniences the bank's constituents, particularly low- and moderate-income consumers in the bank's assessment areas. Hours of operation are reasonable, with all branches offering extended hours on Fridays. Two branches have drive-up services, and all locations have ATM access. Differences are discussed in more detail by assessment area.

Finally, the bank provides a relatively high level of community development services in its assessment areas. More specifically, the bank provides a relatively high level of community development services in its Philadelphia, PA and Reading, PA assessment areas, an adequate level of services in its Trenton, NJ assessment area, and a limited level of services in its New York, NY assessment area.

The bank's service test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Section 1025 of the Dodd–Frank Wall Street Reform and Consumer Protection Act assigns to the Consumer Financial Protection Bureau (CFPB) examination authority, and primary enforcement authority, to ensure compliance by banks with assets more than $10 billion. The CFPB has not provided any information about, or other evidence of, discriminatory or other illegal credit practices relative to this institution with respect to the federal consumer financial laws.

COMMONWEALTH OF PENNSYLVANIA

STATE RATING

Performance Test	Performance Level
Lending	Outstanding
Investment	Low Satisfactory
Service	Low Satisfactory
Overall	Satisfactory

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following:

- The distribution of borrowers, given the product lines offered by the bank, reflects excellent penetration among retail customers, and good distribution among businesses of different sizes;
- The geographic distribution of loans reflects excellent penetration throughout the Commonwealth of Pennsylvania assessment areas;
- The bank makes extensive use of innovative and/or flexible lending practices;
- The bank made an adequate level of community development loans in the Commonwealth of Pennsylvania;
- The bank has an adequate volume of qualified community development investments and grants in the state;
- The bank exhibits adequate responsiveness to credit and community development needs; and
- The bank provides a relatively high level of community development services.

SCOPE OF EXAMINATION

Customers' CRA performance in the Commonwealth of Pennsylvania was evaluated for the period of November 3, 2020 through April 10, 2023. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included HMDA loans, small business loans, and other loans that qualified as community development loans.

As mentioned previously, examiners completed a full-scope review in both the Philadelphia, PA and Reading, PA assessment areas, as the majority of the bank's operations are in these assessment areas, including branches, as well as deposit and HMDA lending production.

For the purposes of assessing Customers' overall CRA performance, more weight was given to the performance in the Commonwealth of Pennsylvania than in the bank's New York and New Jersey assessment areas.

DESCRIPTION OF INSTITUTION'S OPERATIONS

In the Commonwealth of Pennsylvania, the greatest weight was given to the performance in the Philadelphia, PA assessment area. Of the bank's six branches, two (33%) were located in the assessment area. Additionally, one LPO was located in the Philadelphia assessment area. Of the bank's total loans, 17% by number, and 23% by dollar volume were originated in the Philadelphia, PA assessment area. Finally, according to the Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report as of June 30, 2022, 3% of the bank's total deposits were located in the assessment area.

The Reading, PA assessment area was weighted second, just behind the Philadelphia, PA assessment area. As in Philadelphia, two of the bank's six branches (33%) were located in the assessment area Of the bank's total loans, 4% by number, and 13% by dollar volume were originated in the Reading, PA assessment area. Finally, according to the FDIC Deposit Market Share Report as of June 30, 2022, 47% of the bank's total deposits were located in the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overall, the lending test was determined to be outstanding in the Commonwealth of Pennsylvania. Primary drivers of the overall lending test rating were borrower and geographic distribution of loans, and the bank's usage of innovative and/or flexible lending products. It is noted that borrower distribution was weighed more heavily than geographic distribution, given the demographics of the Pennsylvania assessment areas. More detail on lending test components is provided in the discussions of each Pennsylvania assessment area.

INVESTMENT TEST

Overall, the investment test was determined to be low satisfactory in the Commonwealth of Pennsylvania. The investment test rating was driven by the amount of qualified investments and donations, with additional consideration given to the responsiveness, innovativeness, and complexity of such investments. More detail on the investment test components is provided in the discussions of each Pennsylvania assessment area.

SERVICE TEST

Overall, the service test was determined to be low satisfactory in the Commonwealth of Pennsylvania. The service test was influenced by retail service aspects, particularly the bank's accessibility of delivery systems and reasonableness of hours and services in serving assessment area needs, and changes in branch locations, as well as the level of community development services provided by the bank in the Commonwealth. More detail on the service test components is provided in the discussions of each Pennsylvania assessment area.

PHILADELPHIA, PA ASSESSMENT AREA
FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of the Assessment Area

Customers' Philadelphia PA assessment area consists of the Montgomery-Bucks-Chester, PA MD, which includes Montgomery, Bucks, and Chester Counties in Pennsylvania, and the Philadelphia, PA MD, which consists of Delaware and Philadelphia Counties, also in Pennsylvania. These two MDs are two of four MDs that comprise the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA. The assessment area is situated in southeastern Pennsylvania, and had a population of over four million as of the 2015 ACS.

For the purposes of assessing Customers' CRA performance in the Commonwealth of Pennsylvania, and overall, the greatest weight was given to the performance in the Philadelphia, PA assessment area. Of the bank's total loans, 17% by number, and 23% by dollar volume were originated in the Philadelphia, PA assessment area. A lesser share of the bank's deposits were attributed to the assessment area. More specifically, 3% of the bank's total deposits ($578 million) were located in the assessment area, and 33% of the bank's six branches (two branches) were located in the assessment area. Additionally, one of the bank's LPOs was located in the Philadelphia, PA assessment area.

Customers' CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

According to 2015 American Community Survey (ACS) data, the Philadelphia, PA assessment area contained 998 census tracts. Seventy-two tracts (7%) were designated as low-income, 252 (25%) as moderate-income, 330 (33%) as middle-income, 327 (33%) as upper-income, and 17 (2%) were designated as unknown-income tracts. The low- and moderate-income census tracts were mainly concentrated within the northern and western portions of the city of Philadelphia, southeastern Bucks County, the city of Chester in Chester County, the borough of Pottstown in the western portion of Montgomery County along the northern border of Chester County, and the borough of Norristown in Montgomery County. The tracts of unknown-income were mainly located in areas containing the Philadelphia International Airport, the Northeast Philadelphia Airport, Fairmount Park, and the Philadelphia Navy Yard.

A map of the assessment area the time of the 2015 ACS is available in Appendix F.

According to the FDIC's Deposit Market Share Report, as of June 30, 2022[8], there were 70 depository institutions operating in the bank's Philadelphia, PA assessment area. These institutions maintained a total of 1,010 branches, holding $171.5 billion in deposits. Customers, with six branches in the assessment area at the time of the most recently available FDIC report, ranked twenty-third, with $578 million, or less than 1% of the deposit market. Wells Fargo Bank, N.A. ranked first with 120 branches holding $29 billion (17%) of the deposit market, followed by PNC Bank, N.A. with 81 branches and $23.8 billion (14%) of deposits. TD Bank, N.A. ranked third, with 76 branches holding $21.8 billion (13%) of total deposits within the market. Notably, the top seven banks in the assessment area are large national banks, which together control almost 79% of the deposit market.

Customers reports home-mortgage loans pursuant to HMDA and was compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. This data is reported annually. In 2020, a total of 803 institutions reported 202,633 HMDA loan originations and purchases within the assessment area. Customers ranked one hundred and twenty-sixth in the HMDA market with 243 (less than 1%) total originations and purchases. Wells Fargo Bank, N.A. ranked first in the HMDA market with nearly 9% of total HMDA originations and purchases, followed by Quicken Loans, LLC with 5% of the HMDA market, and Citizens Bank, N.A. with 4% market share.

The 2021 aggregate HMDA data showed a 4% increase in overall HMDA lending compared to 2020, with 825 lenders originating and purchasing 211,678 home-mortgage loans in the assessment area. Customers ranked one hundred and ninth with less than 1% of the market. Rocket Mortgage, LLC ranked first with almost 6% of the market share, followed by Wells Fargo Bank, N.A. with nearly 6% of the market share, and Citizens Bank, N.A. with 5% market share.

Similarly, the institution reports its small business loans pursuant to the CRA, and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2020 small business and small farm data, there were 290 CRA reporters in the assessment area, originating or purchasing a total of 115,039 small business and small farm loans. Customers ranked twenty-second with just over 1% of the market. American Express, N.B. ranked first with almost 16% of all small business and small farm loan originations and purchases, followed by Wells Fargo Bank, N.A. with almost 8% of the market, and TD Bank, N.A. with almost 7% of the CRA market.

In 2021, there were 267 small business and small farm reporters originating and purchasing 125,479 CRA loans. Customers rose to eleventh with close to 3% of the market share. American Express, N.B. ranked first with over 20% of the market, followed by JP Morgan Chase Bank, N.A. with close to 8% of the market's total small business and small farm loan originations and purchases, and Wells Fargo Bank, N.A. with 6% of the CRA market.

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[8]At the time of the June 30, 2022 report, which was the most recent report available at the time of the evaluation, Customers had a total of six branches operating in the Philadelphia, PA assessment area. Details on branch closures that occurred in the assessment area during the evaluation period are described under the "Conclusions with Respect to Performance Tests" heading, in the "Service Test" section.

Since CRA data reporting includes small business loans issued under corporate credit card arrangements, some of the top reporters in the assessment area are national credit card originators. This was the case in both years evaluated. For example, in 2021, American Express, N.B., JP Morgan Chase Bank, N.A., Wells Fargo Bank, N.A., Bank of America, N.A., Capital One Bank USA, N.A., Citizens Bank, N.A., TD Bank, N.A., Citibank, N.A., PNC Bank, N.A., and US Bank, N.A., were the top ten CRA reporters, collectively holding 64% of the total small business and small farm loan originations and purchases in the assessment area.

To supplement economic, demographic, and performance data, interviews were conducted with two local community organizations, which provided perspective on the credit and community development needs of the Philadelphia, PA assessment area. One interview was held with a non-profit community development financial institution (CDFI) whose mission is to promote economic development through entrepreneurship through the provision of accessible capital and business support services for small and micro businesses in the area. Another interview was held with an agency focusing on providing services to veterans and their families through the provision of employment opportunities, housing assistance, and social services.

The community contacts identified affordable housing for families with children and veterans, and business credit in the form of low-cost loans, particularly for small businesses, as important credit needs. Further, services such as food pantries, healthcare services, legal assistance, and job training and placement were identified as other community needs in the assessment area.

Economic Characteristics

As indicated above, Customers' Philadelphia, PA assessment area is located in the Delaware Valley region of southeastern Pennsylvania, within the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA. Philadelphia is the largest city in Pennsylvania, and the fifth largest in the nation, with a population of nearly 1.6 million according to 2015 ACS data.

According to the Moody's Analytics February 2023 Precis Report for the entire Philadelphia MSA, the city's economy is in recovery mode, and is forecasted to improve relative to the region. The region's performance will depend upon its ability to attract white-collar professionals, as remote work's prevalence continues to be a drag on the local economy. According to Moody's, the region's office occupancy is among the lowest in the nation, and public transportation ridership is nearly half of what it was pre-pandemic. However, recent downtown investments have attracted more firms to Philadelphia, which boosts its long-term job growth, and revamped mixed-use buildings, which are less reliant on commuter traffic, are also drawing hybrid workers downtown. Healthcare is a bright spot in the economy, and will remain a driver that will fuel growth in the near term.

Philadelphia's strengths include world-class educational institutions, its role as a center for healthcare and medical research, and a well-developed port and international airport. On the other hand, weaknesses exhibited in the area include anemic population growth, prohibitive business taxes that push firms outside of the city, to suburbs and nearby states, and significant fiscal problems.

The education and health services industry represents the largest employment sector in the Philadelphia, PA MSA, contributing 32% of jobs. Other significant industries include professional and business services (15%), government (14%), and leisure and hospitality services (8%).

According to Moody's, top employers in the MSA include the University of Pennsylvania Health System, Thomas Jefferson University, the Children's Hospital of Philadelphia, Comcast, and Drexel University.

Brief descriptions of each county in the bank's Philadelphia, PA assessment area are as follows:

Bucks County

Bucks County had a population of 626,583 residents as of the 2015 ACS, making it the third most-populous county in the assessment area. The county shares a border with Montgomery County, which is located to the southwest, the State of New Jersey to the east (across the Delaware River), and Northampton and Lehigh Counties in the Lehigh Valley to the north. Bucks County's median family income of $94,953 is the third highest in the assessment area. The county seat is Doylestown.

Tourism is an important asset to Buck County's economy. Given its proximity to the Delaware River, Bucks County boasts natural scenery, farmland, colonial history and proximity to major urban areas, including Philadelphia, New York City, Allentown and Reading, which draws visitors. The county is also home to popular destinations such as farmers markets, Peddlers Village, Doylestown, New Hope, and Sesame Place.

According to the Pennsylvania Department of Labor and Industry, leading employers include Giant Food Stores LLC, Doylestown Hospital, Central Bucks School District, Bucks County, and Northtec, LLC. Bucks County is home to Bucks County Community College, Delaware Valley University and La Salle University – Bucks County Center.

Chester County

Chester County is adjacent to Montgomery County to the northeast, Delaware County to the east, and New Castle County, Delaware and Cecil County, Maryland to the southeast and southwest, respectively.

Using 2015 ACS data, the population in Chester County was 509,797, making it the least densely populated county in the assessment area. The county is the wealthiest of the counties in the Philadelphia, PA assessment area with a median family income of $105,571. Eastern Chester County is home to many communities that comprise part of the affluent "Main Line" western suburbs outside of Philadelphia, while part of its southernmost portion is considered suburban Wilmington, along with the southwest Delaware County. The county seat is the Borough of West Chester.

Watersheds that serve Chester County include the Octoraro, the Brandywine, and Chester creeks, and the Schuylkill River, yielding a topography consisting of rolling hills and valleys with fertile soil. Because of its proximity to Philadelphia, Chester County has seen large waves of development, however agriculture is still a major part of the county's economy. Mushroom growing is a specialty in the southern portion of the county, and the number of horse farms is increasing in the county.

According to the Pennsylvania Department of Labor and Industry, leading employers include The Vanguard Group Inc., The Chester County Hospital, QVC Network, Inc., the County of Chester, and Main Line Hospitals, Inc. Chester County is home to Cheyney University of Pennsylvania, Lincoln University, West Chester University of Pennsylvania, and Immaculata University.

Delaware County

Delaware County had a population of 561,683 residents as of the 2015 ACS update, making it the fourth most populous county in the assessment area, and the third-smallest county in Pennsylvania by land volume. The county's median family income of $82,906 was the second lowest of the counties in the assessment area. Delaware County is located directly west of the city-county of Philadelphia, and borders Chester County to the west, and the state of Delaware to the south. Its county seat is Media, and the county is home to Ridley Creek State Park (a state protected area), and two national protected areas (First State National Historical Park and John Heinz National Wildlife Refuge).

According to the Pennsylvania Department of Labor and Industry, major employers in the county include The Boeing Company, United Parcel Service, Inc., Villanova University, Delaware County, and Wawa, Inc. Colleges and universities located in Delaware County include Haverford College, Swarthmore College, Valley Forge Military Academy, Villanova University, and Widener University, among others.

Montgomery County

Montgomery County is located adjacent to and northwest of the city and county of Philadelphia, and is located between Bucks and Chester counties, to the northeast and southwest, respectively. Montgomery County is geographically diverse, ranging from farms and open land in the extreme north of the county, to densely populated suburban neighborhoods in the southern and central portions of the county. The county seat and largest city is Norristown.

As of the 2015 ACS data, Montgomery County had a population of 812,970 residents, making it the second most-populous county in the assessment area. The median family income in the county was $100,138 as of the 2015 ACS update, making it the second highest in the assessment area after Chester County. Montgomery County is a suburb of Philadelphia; and like Philadelphia, is also a major employment center. Montgomery County is home to several large business parks in Blue Bell, Lansdale, Fort Washington, Horsham, and King of Prussia, which attract thousands of workers from all over the region.

The Pennsylvania Department of Labor and Industry reports that as of the third quarter of 2022, leading employers in the county include pharmaceutical and health companies such as Merck Sharp & Dohme Corp., SmithKline Beecham Corp., Abington Memorial Hospital, Main Line Hospitals, Inc., Albert Einstein Medical Center, and State Government. Montgomery County is also home to a number of colleges and universities, including Arcadia University, Bryn Mawr College, Haverford College, Gwynedd Mercy University, Montgomery County Community College and Pennsylvania State University-Abington Campus.

Philadelphia County

Philadelphia County is the smallest of the counties in the bank's assessment area by size, though it is the largest by population, with over 1.5 million residents. Philadelphia County is Pennsylvania's second-smallest county in Pennsylvania by land area. It is located along the lower Delaware and Schuylkill Rivers, and the county seat is the city of Philadelphia. Philadelphia county's median family income measured $46,864, which was by far the lowest median family income in the assessment area.

According to the Pennsylvania Department of Labor and Industry, major employers in the city and county (excluding federal and city government) include the University of Pennsylvania, the School District of Philadelphia, The Children's Hospital of Philadelphia, Temple University, Thomas Jefferson University Hospital, and Comcast Cablevision Corporation, and Southeastern PA Transportation Authority (SEPTA).

Philadelphia County is home to many large and prominent universities, including Drexel University, Temple University, The University of Pennsylvania, Thomas Jefferson University, and St. Joseph's University, among others.

Seasonally unadjusted unemployment rates for the assessment area, according to the U.S. Department of Labor, Bureau of Labor Statistics, are presented in the following table. The COVID-19 pandemic significantly impacted the assessment area's unemployment rates in 2020, with rates exceeding the national average in Bucks, Delaware, and Philadelphia Counties, and in the Commonwealth as a whole. Unemployment rates in 2021 dropped overall, with rates in Bucks, Chester, and Montgomery Counties falling at or below the national average. In general, unemployment rates were highest in Philadelphia County, and lowest in Chester County, PA.

Customers Bank Philadelphia, PA Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)		
Location	**% 2020**	**% 2021**
Bucks County	8.3	5.3
Chester County	6.4	4.2
Delaware County	9.2	6.3
Montgomery County	7.6	5.0
Philadelphia County	12.4	9.2
Philadelphia-Camden-Wilmington, PA-NJ-DE MSA	9.1	6.3
Commonwealth of Pennsylvania	8.9	6.0
United States	8.1	5.3

Housing

According to 2015 ACS data, the Philadelphia, PA assessment area contained almost over 1.7 million housing units, 60% of which were owner-occupied, 31% of which were rental units, and 9% of which were vacant. The overall owner-occupancy rate in the assessment area (60%) was comparable to the rate in the Commonwealth of Pennsylvania (61%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for home-mortgage credit within such census tracts. According to 2015 ACS data, 4% of owner-occupied units were located in low-income census tracts, 20% were in moderate-income tracts, 38% were in middle-income tracts, and 38% were in upper-income tracts.

Of the total existing housing units, 73% were single-family units, 10% were two-to-four family units, 16% were multifamily units consisting of five or more units, and just under 1% of units were mobile homes. The median age of the housing stock was 61 years, making it older than the housing stock in the Commonwealth of Pennsylvania (54 years).

Data show that the cost of housing in the assessment area is more expensive than in the Commonwealth overall. According to 2015 ACS data, the median housing value in the Philadelphia, PA assessment area was $244,580, which was significantly higher than the median value in the Commonwealth of Pennsylvania ($166,000). Further, data show a significant disparity between the median housing value in the assessment area's low- and moderate-income tracts, compared to those in middle- and upper-income tracts. The median housing value was $80,582 in low-income tracts, and $141,730 in moderate-income tracts. These values were significantly lower than housing values in middle- and upper-income tracts ($248,505 and $336,140, respectively). Additionally, in the assessment area, less than 15% of the total owner-occupied housing units were valued at less than $100 thousand, compared to the Commonwealth, where 26% of owner-occupied housing units were valued at less than $100 thousand.

Finally, median gross rent (rent plus utilities) was more expensive in the assessment area than in Pennsylvania. Specifically, median gross rent in the Philadelphia, PA assessment area was $1,005 compared to that of Pennsylvania ($840). Within the assessment area, slightly over 50% of renters spent more than 30% of their income on rent, which is a higher figure than that in Pennsylvania as a whole (46%).

Borrower Income Data

The percentage of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. The 2015 ACS shows that there were 954,348 families in the assessment area. Of the total families in the assessment area, 22% were designated as low-income, 17% were designated as moderate-income, 19% were middle-income, and 41% were upper-income. Of all families in the assessment area, 10% were living below the poverty level, compared with a rate of 9% for the Commonwealth of Pennsylvania.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon the U.S. Department of Housing and Urban Development (HUD) annually-adjusted median family income data made available by the FFIEC. Median family incomes for the two MDs included in the bank's assessment area are listed in the following table for each of the years covered by the evaluation, and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Metropolitan Division	Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income (120% or Greater)
Philadelphia, PA MD	2020	$71,100	Less than $35,550	$35,550 - $56,879	$56,880 - $85,319	$85,320 or more
Philadelphia, PA MD	2021	$67,500	Less than $33,750	$33,750 - $53,999	$54,000 - $80,999	$81,000 or more
Montgomery-Bucks-Chester, PA MD	2020	$118,000	Less than $59,000	$59,000 - $94,399	$94,400 - $141,599	$141,600 or more
Montgomery-Bucks-Chester, PA MD	2021	$116,300	Less than $58,150	$58,150 - $93,039	$93,040 - $139,559	$139,560 or more

Geographic Business Data

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. Dun & Bradstreet reports business demographics annually. According to Dun & Bradstreet data, in 2020, there were 207,036 businesses in the Philadelphia, PA assessment area. Of these businesses, 4% of businesses were located in low-income tracts, and 18% were located in moderate-income tracts. The majority of businesses were located in middle-income tracts, and upper-income tracts (36% and 41%, respectively). Just under 1% of businesses were located in tracts with unknown income levels. Business demographic data also revealed that of the 207,036 businesses located in the assessment area, 91% were small businesses with gross annual revenues of $1 million or less.

In 2021, there were 208,615 businesses in the assessment area. Of these businesses, 4% were located in low-income tracts, 18% were located in moderate-income tracts, 36% in middle-income tracts, 41% in upper-income tracts, and 1% in tracts of unknown income. Of the 208,615 businesses in the assessment area, 91% were small businesses with gross annual revenues of $1 million or less.

Assessment area demographics used in evaluating Customers' performance in the Philadelphia, PA assessment area in 2020 and 2021 are detailed in the tables on the following pages.

Customers Bank Philadelphia, PA Assessment Area Assessment Area Demographics 2020								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	72	7.2	59,099	6.2	23,765	40.2	214,075	22.4
Moderate-income	252	25.3	218,050	22.8	39,959	18.3	163,947	17.2
Middle-income	330	33.1	347,709	36.4	22,511	6.5	184,500	19.3
Upper-income	327	32.8	328,927	34.5	10,812	3.3	391,826	41.1
Unknown-income	17	1.6	563	0.1	120	21.3	0	0.0
Total Assessment Area	**998**	**100.0**	**954,348**	**100.0**	**97,167**	**10.2**	**954,348**	**100.0**

	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	120,815	39,971	4.0	33.1	61,227	50.7	19,617	16.2
Moderate-income	425,882	197,622	20.0	46.4	171,862	40.4	56,398	13.2
Middle-income	567,990	375,633	37.9	66.1	154,956	27.3	37,401	6.6
Upper-income	543,769	377,010	38.1	69.3	132,000	24.3	34,759	6.4
Unknown-income	2,575	68	0.0	2.6	2,267	88.0	240	9.3
Total Assessment Area	**1,661,031**	**990,304**	**100.0**	**59.6**	**522,312**	**31.4**	**148,415**	**8.9**

	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	8,549	4.1	7,823	4.1	681	4.1	45	2.8
Moderate-income	36,870	17.8	33,873	17.9	2,688	16.1	309	18.9
Middle-income	74,714	36.1	67,952	36.0	6,180	37.1	582	35.6
Upper-income	85,536	41.3	78,082	41.4	6,763	40.6	691	42.3
Unknown-income	1,367	0.7	1,019	0.5	340	2.0	8	0.4
Total Assessment Area	**207,036**	**100.0**	**188,749**	**100.0**	**16,652**	**100.0**	**1,635**	**100.0**
	Percentage of Total Businesses:		91.2			8.0		0.8

	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	14	1.0	13	1.0	1	1.3	0	0.0
Moderate-income	193	14.1	180	13.9	13	17.3	0	0.0
Middle-income	698	50.9	655	50.6	43	57.3	0	0.0
Upper-income	462	33.7	444	34.3	18	24.0	0	0.0
Unknown-income	3	0.2	3	0.2	0	0.0	0	0.0
Total Assessment Area	**1,370**	**100.0**	**1,295**	**100.0**	**75**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:		94.5			5.5		0.0

2015 ACS Data and 2020 D&B Information

Customers Bank Philadelphia, PA Assessment Area Assessment Area Demographics 2021								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	72	7.2	59,099	6.2	23,765	40.2	214,075	22.4
Moderate-income	252	25.3	218,050	22.8	39,959	18.3	163,947	17.2
Middle-income	330	33.1	347,709	36.4	22,511	6.5	184,500	19.3
Upper-income	327	32.8	328,927	34.5	10,812	3.3	391,826	41.1
Unknown-income	17	1.6	563	0.1	120	21.3	0	0.0
Total Assessment Area	**998**	**100.0**	**954,348**	**100.0**	**97,167**	**10.2**	**954,348**	**100.0**

	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	120,815	39,971	4.0	33.1	61,227	50.7	19,617	16.2
Moderate-income	425,882	197,622	20.0	46.4	171,862	40.4	56,398	13.2
Middle-income	567,990	375,633	37.9	66.1	154,956	27.3	37,401	6.6
Upper-income	543,769	377,010	38.1	69.3	132,000	24.3	34,759	6.4
Unknown-income	2,575	68	0.0	2.6	2,267	88.0	240	9.3
Total Assessment Area	**1,661,031**	**990,304**	**100.0**	**59.6**	**522,312**	**31.4**	**148,415**	**8.9**

	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	8,897	4.3	8,189	4.3	658	4.1	50	2.9
Moderate-income	38,017	18.2	35,105	18.4	2,589	16.0	323	18.8
Middle-income	74,939	35.9	68,275	35.8	6,047	37.3	617	36.0
Upper-income	85,370	40.9	78,064	40.9	6,591	40.6	715	41.7
Unknown-income	1,392	0.7	1,049	0.6	333	2.1	10	0.6
Total Assessment Area	**208,615**	**100.0**	**190,682**	**100.0**	**16,218**	**100.0**	**1,715**	**100.0**
	Percentage of Total Businesses:		**91.4**		**7.8**			**0.8**

	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	16	1.2	15	1.2	1	1.3	0	0.0
Moderate-income	192	14.0	180	13.9	12	15.0	0	0.0
Middle-income	703	51.3	660	51.1	43	53.7	0	0.0
Upper-income	457	33.3	433	33.5	24	30.0	0	0.0
Unknown-income	3	0.2	3	0.3	0	0.0	0	0.0
Total Assessment Area	**1,371**	**100.0**	**1,291**	**100.0**	**80**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:		**94.2**		**5.8**			**0.0**

2015 ACS Data and 2021 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of all sizes, including small businesses;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Lending Activity

Customers' lending levels in the Philadelphia, PA assessment area reflect good responsiveness to the assessment area's credit needs. During the evaluation period, lending activity in the Philadelphia, PA assessment area represented 17% of the bank's overall lending by number of loans, and 23% by dollar volume. During the evaluation period, Customers made 533 HMDA loans totaling almost $120 million, and 4,924 small business loans totaling nearly $220 million in the Philadelphia, PA assessment area.[9] Of the bank's total small business lending during the evaluation period, only 47 loans in the amount of $12.8 million were made to businesses with reported revenues of $1 million or less.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered, excellent penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes, including small businesses.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area in driving lending performance. Further, due to loan volumes, small business loans are given the most weight in determining the bank's overall borrower distribution of loans, followed by HMDA loans.

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[9] The vast majority of the bank's small business loans consisted of loans made under the PPP, which did not require reporting the business revenue size.

Home-Mortgage Lending

Customers' distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is excellent.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to the 2015 ACS data, over 22% of assessment area families were low-income, 17% were moderate-income, 19% were middle-income, and 41% were upper-income. Forty percent of families, using 2015 ACS Census data, were designated as low- or moderate-income families. This indicates a notable need for home-mortgage credit among this segment of the population.

The following tables compare Customers' home-mortgage lending to aggregate lending levels, using the percentages of low- and moderate-income families in the assessment area as proxies for loan demand. Both tables, used to evaluate lending in 2020 and 2021 respectively, rely on 2015 ACS data to estimate demand for home-mortgage credit among low- and moderate-income families, along with updated HMDA data, following the requirements of Regulation C.

Customers Bank Philadelphia, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
		Aggregate Comparison	
Income Level	**% Families by Family Income (2015 ACS Data)**	**2020**	
		% Customers' Lending	**% Aggregate Lending**
Low	22.4	29.2	6.8
Moderate	17.2	29.2	17.2
Middle	19.3	14.0	22.4
Upper	41.1	16.9	39.2
Unknown	0.0	10.7	14.4
Total	**100.0**	**100.0**	**100.0**

Customers Bank Philadelphia, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
		Aggregate Comparison	
Income Level	**% Families by Family Income (2015 ACS Data)**	**2021**	
		% Customers' Lending	**% Aggregate Lending**
Low	22.4	21.4	7.0
Moderate	17.2	36.6	16.9
Middle	19.3	10.3	21.3
Upper	41.1	10.0	39.2
Unknown	0.0	21.7	15.6
Total	**100.0**	**100.0**	**100.0**

Lending to Low-Income Borrowers

For the period under review, Customers' lending to low-income borrowers was excellent.

In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration median family incomes and housing costs, and the challenges faced by low-income borrowers in saving for a down payment and closing costs, which can present a significant obstacle to homeownership, thereby limiting lending opportunities.

Customers' lending in 2020 to low-income borrowers was excellent. In total, 29% of the bank's HMDA loans (71 loans) were originated to low-income borrowers, significantly above the aggregate lending level of 7% and the proxy of 22%. By loan category, Customers originated 37% of its home purchase loans, 10% of its refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to low-income borrowers. In comparison, aggregate lenders made 10% of home purchase loans, 5% of refinance loans, 8% of home improvement loans, less than 1% of multifamily loans, 9% of other purpose lines of credit, 9% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to low-income borrowers in 2020.

Customers' lending in 2021 to low-income borrowers was excellent. In total, 21% of the bank's HMDA loans (62 loans) were originated to low-income borrowers, significantly above the aggregate lending level of 7% and in-line with the proxy of 22%. By loan category, Customers originated 27% of its home purchase loans (62 loans), and no other loan types to low-income borrowers. In comparison, aggregate lenders made 8% of its home purchase loans, 6% of its refinance loans, 7% of home improvement loans, less than 1% of multifamily loans, 9% of other purpose lines of credit, 8% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to low-income borrowers in 2021.

Lending to Moderate-Income Borrowers

For the period under review, the bank's lending to moderate-income borrowers was excellent.

Customers' lending in 2020 to moderate-income borrowers was excellent. In total, 29% of the bank's HMDA loans (71 loans) were originated to moderate-income borrowers, significantly above the aggregate lending level and the proxy (both 17%). By loan category, Customers originated 36% of its home purchase loans, 11% of its refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to moderate-income borrowers. In comparison, aggregate lenders made 22% of home purchase loans, 15% of refinance loans, 17% of home improvement loans, less than 1% of multifamily loans, 17% of other purpose lines of credit, 17% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to moderate-income borrowers in 2020.

Customers' lending in 2021 to moderate-income borrowers was excellent. In total, 37% of the bank's HMDA loans (106 loans) were originated to moderate-income borrowers, significantly above the aggregate lending level and proxy (both 17%). By loan category, Customers originated 46% of its home purchase loans, 5% of refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to moderate-income borrowers. In comparison, aggregate lenders made 19% of home purchase loans, 16% of refinance loans, 16% of home improvement loans, less than 1% of multifamily loans, 16% of other purpose lines of credit, 16% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to moderate-income borrowers in 2021.

Small Business Lending

The bank's distribution of loans to businesses reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of $1 million or less, namely small businesses.

The number of businesses operating in the bank's assessment area is used as a proxy to estimate demand for business credit in that assessment area. According to Dun & Bradstreet business demographic data, in 2020 there were 207,036 businesses in the assessment area, with 188,749 (91%) designated as small businesses. In 2021, there were 208,615 businesses in the assessment area, 190,682 (91%) of which were small businesses.

In 2020, the bank's borrower distribution of small business loans was excellent, considering performance context factors. In 2020, Customers originated 1,493 small business loans within the assessment area, aggregating $117 million. Of these loans, 2% (27 loans) were originated to small businesses. Notably, 97% of the bank's small business loan originations (1,445 loans) were to businesses with unknown revenues. This is attributable to the bank's participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP)[10]. Under this program, institutions were not required to collect revenue information. The COVID-19 pandemic was an unprecedented global event that impacted businesses of all sizes, most notably smaller businesses that typically do not have an excess of capital to weather long periods of closure and slashed revenues. Customers' significant participation in this program is considered in the evaluation of its borrower distribution of lending.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was well below the aggregate lending level of 40% to small businesses, and the proxy of 91%. However, when considering the bank's PPP lending, which is reasonably inferred to be supportive of small businesses in need for capital, the bank's performance is considered to be good.

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[10]In April 2020, the PPP was established by the CARES Act, and implemented by the SBA (Federal Register 13 CFR Part 120). The PPP program provided small businesses with funds to pay up to eight weeks of payroll costs, including benefits. Funds could also be used to pay interest on mortgages, rent, and utilities.

Small business loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, and thus added weight is given to such loans in determining whether an institution is meeting the credit needs of small businesses. In 2020, 80% of Customers' small business loans were extended in amounts of $100 thousand or less. Aggregate data indicates that 86% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

In 2021, the bank's borrower distribution of small business loans was excellent, considering performance context. In 2021, Customers originated 3,431 small business loans within the assessment area, aggregating $102.6 million. Of these loans, less than 1% were originated to small businesses (20 loans). As noted above, Customers' participation in the PPP significantly impacted the bank's small business loan data. Ninety-nine percent of the bank's small business loan originations (3,398 loans) were to businesses with unknown revenues, and it is reasonable inferred that these originations were to benefit small businesses impacted by the COVID-19 pandemic.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was well below the aggregate lending level of 45% to small businesses, and the proxy of 91%. When considering the bank's PPP lending, the bank's performance was once again considered to be good.

In 2021, 94% of Customers' small business loans were extended in amounts of $100 thousand or less (3,233 loans). Aggregate data indicates that 91% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

Geographic Distribution of Loans

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. The overall analysis reflects excellent penetration throughout the Philadelphia, PA assessment area, including low- and moderate-income tracts. Once again, it is noted that small business loans were given greater weight in determining this conclusion, given their higher volume by number and dollar amount, followed by HMDA loans.

Home-Mortgage Lending

Customers' distribution of home-mortgage loans among geographies of different income levels, including low- and moderate-income census tracts is excellent. As noted earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2015 ACS data, 4% of the assessment area's owner-occupied housing stock was located in low-income census tracts, and 20% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle- and upper-income tracts (both 38% each).

The following tables present Customers' geographic distribution of HMDA loans in 2020 and 2021, in comparison to the applicable owner-occupied housing proxies and the aggregate lending levels in the assessment area. The tables rely on 2015 ACS data, along with updated HMDA data, following the requirements of Regulation C.

Customers Bank Philadelphia, PA Assessment Area Geographic Distribution of HMDA Loans			
Census Tract Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison	
		2020	
		% Customers' Lending	% Aggregate Lending
Low	4.0	14.4	2.2
Moderate	20.0	39.9	16.2
Middle	37.9	28.4	38.3
Upper	38.1	17.3	43.3
Unknown	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Customers Bank Philadelphia, PA Assessment Area Geographic Distribution of HMDA Loans			
Census Tract Income Level	% Owner-Occupied Units (2015 ACS Data)	Aggregate Comparison	
		2021	
		% Customers' Lending	% Aggregate Lending
Low	4.0	17.9	2.6
Moderate	20.0	40.7	17.4
Middle	37.9	23.8	38.5
Upper	38.1	17.6	41.5
Unknown	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Lending in Low-Income Census Tracts

For the period under review Customers overall HMDA lending in low-income tracts was excellent.

Customers' lending in low-income census tracts in 2020 was excellent. Of the bank's 243 loans in 2020, Customers originated 14% of HMDA loans (35 loans) in low-income tracts in 2020, which was well above both the proxy of 4% and the aggregate lending level of 2%. Categorized by loan product type, Customers made 18% of its home purchase loans, 5% of its refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in low-income tracts in 2020. Aggregate 2020 lending data show that 3% of home purchase loans, 1% of refinance loans, 3% of home improvement loans, 15% of multifamily loans, 2% of other purpose lines of credit, 3% of other purpose closed/exempt loans, and 5% of loans with purpose "not applicable" were made in low-income tracts in the assessment area.

Customers' lending in low-income census tracts in 2021 was excellent. Customers originated 18% of HMDA loans (52 loans) in low-income tracts in 2021, which was well above both the proxy of 4% and the aggregate lending level of 3%. Categorized by loan product type, Customers made 22% of its home purchase loans, 2% of its refinance loans, 14% of its multifamily loans, and no home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in low-income tracts in 2021. Aggregate 2021 lending data show that 4% of home purchase loans, 2% of refinance loans, 3% of home improvement loans, 14% of multifamily loans, 1% of other purpose lines of credit, 2% of other purpose closed/exempt loans, and 5% of loans with purpose "not applicable" were made in low-income tracts in the assessment area.

Lending in Moderate-Income Census Tracts

For the period under review, the bank's HMDA lending in moderate-income tracts was excellent.

Customers' lending in moderate-income census tracts in 2020 was excellent. In 2020, the bank's HMDA lending in moderate-income tracts was 40% (97 loans), which measured well above the proxy of 20% of owner-occupied housing in moderate-income tracts, and the aggregate performance of 16%. Categorized by loan product type, Customers made 48% of its home purchase loans, 19% of refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in moderate-income tracts in 2020. Aggregate lending data shows that 21% of home purchase loans, 13% of refinance loans, 15% of home improvement loans, 34% of multifamily loans, 11% of other purpose lines of credit, 17% of other purpose closed/exempt loans, and 32% of loans with purpose "not applicable" were made in moderate-income tracts in the assessment area in 2020.

Customers' lending in moderate-income census tracts in 2021 was excellent. In 2021, Customers' HMDA lending in moderate-income census tracts was 41% (118 loans), which measured well above the proxy of 20% of owner-occupied housing in moderate-income tracts, and above the aggregate performance of 17%. Categorized by loan product type, Customers made 47% of its home purchase loans, 14% of refinance loans, 57% of multifamily loans, and no home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in moderate-income tracts in 2021. Aggregate lending data shows that 21% of home purchase loans, 15% of refinance loans, 15% of home improvement loans, 39% of multifamily loans, 12% of other purpose lines of credit, 18% of other purpose closed/exempt loans, and 36% of loans with purpose "not applicable" were made in moderate-income tracts in the assessment area in 2021.

Small Business Lending

The geographic distribution of Customers' small business loans reflects good penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on Dun & Bradstreet business data in 2020, there were 207,036 businesses operating in the assessment area. Of these, 4% were located in low-income tracts, and 18% were located in moderate-income tracts. The majority of businesses were located in middle- and upper-income tracts (36% and 41%, respectively), while the remaining 1% of businesses were located in tracts with unknown income levels. There was no change in the distribution of businesses using 2021 Dun & Bradstreet data.

The tables below present Customers' small business geographic distribution, in comparison to the applicable business proxy and aggregate lending levels in the assessment area for the years evaluated.

Customers Bank Philadelphia, PA Assessment Area Geographic Distribution of Small Business Loans			
		Aggregate Comparison	
	% Businesses by Tract Income Level (2020 D & B Data)	**2020**	
Census Tract Income Level		**% Customers' Lending**	**% Aggregate Lending**
Low	4.1	4.4	3.7
Moderate	17.8	14.3	16.5
Middle	36.1	36.2	36.2
Upper	41.3	44.9	42.6
Unknown	0.7	0.2	0.5
Tract Unknown	0.0	0.0	0.5
Total	**100.0**	**100.0**	**100.0**

Customers Bank Philadelphia, PA Assessment Area Geographic Distribution of Small Business Loans			
		Aggregate Comparison	
	% Businesses by Tract Income Level (2021 D & B Data)	**2021**	
Census Tract Income Level		**% Customers' Lending**	**% Aggregate Lending**
Low	4.3	8.0	4.0
Moderate	18.2	28.6	18.4
Middle	35.9	33.2	36.4
Upper	40.9	29.8	40.2
Unknown	0.7	0.4	0.6
Tract Unknown	0.0	0.0	0.4
Total	**100.0**	**100.0**	**100.0**

Lending in Low-Income Census Tracts

Customers' small business lending in low-income tracts was good.

In 2020, the geographic distribution of the bank's small business lending in low-income census tracts was good. Customers originated 4% of its small business loans (65 loans) in the assessment area's low-income census tracts. The bank's lending level was in-line with both the applicable business loan demand proxy of 4%, and the 2020 aggregate small business lending level of 4%.

In 2021, the geographic distribution of the bank's small business lending in low-income census tracts was excellent. Customers originated 8% of its small business loans (276 loans) in the assessment area's low-income tracts. The bank's lending level exceeded both the applicable business loan demand proxy and the 2021 aggregate small business lending level (both 4%).

Lending in Moderate-Income Census Tracts

Customers' small business lending in moderate-income tracts was good.

In 2020, the geographic distribution of the bank's small business lending in moderate-income census tracts was adequate. Customers originated 14% of its small business loans (213 loans) in the assessment area's moderate-income census tracts. The bank's lending level fell below both the applicable business loan demand proxy of 18% and the 2020 aggregate small business lending level of 17%.

In 2021, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers originated 29% of its small business loans (981 loans) in the assessment area's moderate-income census tracts. The bank's lending level far exceeded both the applicable business loan demand proxy of 18% and the 2021 aggregate small business lending level of 18%.

Responsiveness to Credit Needs

Customers exhibits an excellent record of serving the credit needs of low- and moderate-income individuals and areas, and very small businesses, consistent with safe and sound banking practices. As mentioned previously, the bank's responsiveness to credit needs was met primarily through its retail HMDA and small business lending, its extensive use of innovative and flexible retail lending practices, and to a lesser extent, its community development lending, which are discussed below. Community contacts identified access to affordable housing, small business loans, and community services as specific needs within the Philadelphia, PA assessment area.

As discussed below, approximately $15.4 million of the bank's community development loans (64%) benefitted affordable housing for low- and moderate-income individuals. Additionally, the bank offers its own proprietary mortgage product for low- and moderate-income individuals and offers similar products in partnership with other agencies. Further, $7.3 million of the bank's community development loans (30%) supported economic development through the financing of small businesses, and Customers made $8.9 million in SBA loans which financed small businesses in the Philadelphia, PA assessment area. Additionally, Customers participated in the Philadelphia Banks Community Lending Program, a micro-loan program agreement among participating banks to make low-interest rate loans to businesses within the city of Philadelphia that were in need of financial assistance to reopen their businesses that had been negatively affected by the pandemic. Participating banks agreed to service these loans for no charge or fee. Customers committed $100,000 to this program during the previous evaluation period, and extended credit to nine small businesses in need through this program during the current evaluation period.

Finally, Customers was an active participant in the SBA PPP, and funded a total of 4,843 PPP loans totaling nearly $196 million. None of these loans were provided with community development consideration, as they did not qualify under the revitalization/stabilization criteria.

Innovative and/or Flexible Lending Practices

Customers makes extensive use of innovative and/or flexible lending practices in serving the Philadelphia, PA assessment area's credit needs. Through a number of different programs, the bank made home-mortgage loans to low- and moderate-income borrowers, and small business loans during the evaluation period.

Often, the home-mortgage credit needs of low- and moderate-income individuals and families can be addressed more effectively by alternative mortgage products. The bank offers several programs for first-time homebuyers. Customers offers a proprietary residential mortgage product (Affordable Mortgage) developed for low- and moderate-income borrowers. The product allows for flexible underwriting standards including lower minimum credit score requirements, lower minimum down payment requirements, higher loan-to-value allowance, no private mortgage insurance with 20% or more down payment, and competitive rates. During the evaluation period, Customers made 57 affordable mortgage loans totaling $8.4 million within the Philadelphia, PA assessment area.

In addition to its proprietary mortgage product, the bank also offers first-time homebuyer products through government-backed lending programs (FHA, VA, and USDA) and Fannie Mae's HomeReady® Mortgage Program. Through these programs, the bank makes home-mortgage loans to low- and moderate-income borrowers in conjunction with grants and forgivable loans. The programs have income parameters that effectively restrict them to low- and moderate-income borrowers. During the evaluation period, Customers made 39 FHA loans totaling $7 million, one VA loan totaling $275 thousand, and 20 HomeReady® mortgage loans totaling $3.5 million.

The bank is also a participating lender with the PHFA, which offers various affordable homebuyer loans with competitive rates and lower fees. During the evaluation period, the bank made 80 PHFA FHA loans totaling $13.8 million, and 87 PHFA Conventional loans totaling $13.6 million.

Finally, the bank participates in a number of down payment and closing cost assistance programs through the PHFA (K-FIT program), the Neighborhood Housing Services (NHS) (NHS Subordinate loan, and Philly Lift programs), the Urban League of Philadelphia, Philly SEEDS (Homeownership Closing Cost Assistance Program), Philadelphia Housing Development Corporation (Philly First Home Program), and the Federal Home Loan Bank of Pittsburgh (FHLB) (First Front Door Program).

Under the K-FIT and NHS programs, subordinate, often forgivable, secondary loans are made to provide assistance towards down payments and/or loan closing costs, while the remaining aforementioned programs provide grant funds for down payment and closing cost assistance. For instance, under the FHLB of Pittsburgh's First Front Door program, first-time homebuyers receive down payment and closing cost assistance, up to $5,000.

During the evaluation period, borrowers benefitted through the following loans/grants: 117 borrowers received over $1 million in K-FIT loans; 19 borrowers received NHS subordinate loans totaling almost $236 thousand; 34 borrowers received NHS Philly Lift loans totaling $510 thousand; 96 borrowers received First Front Door grants totaling nearly $458 thousand; 10 borrowers receive Urban League grants totaling $15 thousand; five borrowers received Philly SEEDS grants totaling $7 thousand; and 22 borrowers received Philly First grants totaling over $193 thousand.

Similarly, the credit needs of small businesses can often be addressed more effectively through alternative products. In an effort to address the credit needs of small businesses in its assessment area, Customers participates in the Small Business Administration (SBA) loan program. Customers made 10 SBA 7a loans totaling $8.9 million, which financed small businesses in the Philadelphia, PA assessment area.

Community Development Lending

Customers makes an adequate level of community development loans in the assessment area.

During the period evaluated, which included the timeframe between November 3, 2020 through April 10, 2023, the bank made five community development loans in the assessment area, totaling $23.8 million. Customers' community development lending showed a substantial decrease from the previous examination when community development loans totaled $59 million (27 loans).[11] Of the bank's total community development lending by dollar volume, 17% was within the Philadelphia, PA assessment area.

Three of the five loans, totaling $15.4 million (65%) supported affordable housing initiatives for low- and moderate-income individuals. One loan totaling $1.1 million (almost 5%) supported activities for community services to low- and moderate-income individuals and areas, and one loan totaling $7.3 million (31%) supported economic development.

The following table includes the bank's community development loans, broken out by community development purpose.

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
2020	1	6,500	0	0	0	0	0	0	1	6,500
2021	1	600	0	0	0	0	0	0	1	600
2022	1	8,300	1	1,100	1	7,250	0	0	3	16,650
TOTAL	3	15,400	1	1,100	1	7,250	0	0	5	23,750

Table title: **Customers Bank / Philadelphia, PA Assessment Area / Community Development Lending**

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[11] The length of the prior evaluation period (March 29, 2016 through November 2, 2020, or approximately 55 months) was roughly double the length of the time period reviewed compared to this evaluation (November 3, 2020 through April 10, 2023, or approximately 29 months). Nonetheless, the decrease in community development loans was significantly greater than a 50 percent drop.

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment, deposit, membership share, or grant, including a donation or in-kind contribution of property, that has as its primary purpose, community development.

Volume of Investment and Grant Activity

Customers has an adequate level of qualified community development investments and grants, rarely in a leadership position. Qualified investments, grants, and donations for the Philadelphia, PA assessment area totaled over $23.8 million, which is lower than the investment level of just under $46 million at the prior examination[12]. Of the bank's overall investments within its assessment areas, 72% were within the Philadelphia, PA assessment area.

Investments and donations totaling over $23.3 million supported affordable housing initiatives (over 98%), $162 thousand (less than 1%) supported the provision of community development services, and $287 thousand (1%) supported economic development in the assessment area.

Of the $23.7 million in qualified investments in the Philadelphia, PA assessment area, over $23.3 million (almost 99%) were comprised of low-income housing tax credits that provide affordable housing to low- or moderate-income individuals. Other smaller dollar investments included an investment made in an area loan fund that provides economic development to the assessment area, qualified investment funds that supported educational improvement tax credits providing needed community development services and economic development opportunities to low- and moderate-income individuals in the assessment area, and investments into Pennsylvania's Neighborhood Partnership and Neighborhood Assistance Programs, which provide tax incentives for projects supporting distressed areas and neighborhood conservation efforts in the assessment area.

The bank also made numerous donations and grants totaling $100 thousand to local organizations that routinely provide community development services in the assessment area. Of the total dollar amount, $900 supported affordable housing (less than 1%), almost $45 thousand was to organizations that provide community services to low- and moderate-income individuals (nearly 45%), and almost $55 thousand supported economic development (almost 55%).

The following table presents the investment and grant activity for the Philadelphia, PA assessment area.

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[12]When considering the length of the prior evaluation period, which was roughly double the length of the time period reviewed compared to this evaluation, the investment dollar volume was comparable to last time.

CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
Qualified Investments	3	23,375	12	125	4	225	0	0	19	23,725
Donations	1	1	12	45	8	55	0	0	21	101
In-Kind Donations	0	0	0	0	0	0	0	0	0	0
TOTAL	4	23,376	24	170	12	280	0	0	40	23,826

Table title: **Customers Bank / Philadelphia, PA Assessment Area / Qualified Investments**

Responsiveness to Credit and Community Development Needs

Customers exhibits adequate responsiveness to credit and community development needs of the assessment area.

Community contacts identified affordable housing and community services as the most pronounced community needs in the Philadelphia, PA assessment area. While investment and grant activity dropped since the previous evaluation, the vast majority of the bank's investment and donation dollars in this assessment area addressed affordable housing needs.

Community Development Initiatives

Customers makes occasional use of innovative and/or complex investments to support community development initiatives. In the Philadelphia, PA assessment area, the bank participated in the Neighborhood Assistance Program, and Neighborhood Preservation Program, both state tax credit initiatives, providing $65 thousand to four local non-profit organizations serving low- and moderate-income individuals throughout the assessment area. The bank also contributed $20 thousand to an SBA loan loss reserve account for a non-profit providing economic development opportunities to small businesses in the assessment area.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in the assessment area.

During the review period, Customers operated two full-service branches in the Philadelphia, PA assessment area (33% of all branch locations). Using 2015 ACS data, one branch was located in a middle-income tract, and the other was located in an upper-income tract.

The following table details the locations of the bank's branches with comparison to 2015 ACS population demographics, and shows that while no branches are located in low- or moderate-income census tracts, just under 32% of the population is located in those geographies. The table indicates that a majority of the population is located in middle- and upper-income tracts, which corresponds with the bank's branch locations.

Customers Bank Philadelphia, PA Assessment Area Retail Branch Distribution 2015 ACS Data				
Census Tract Type	**Number of Branches**	**Percent Branches**	**Population**	**Percent of Population**
Low	0	0	290,440	7.1
Moderate	0	0	1,009,619	24.8
Middle	1	50.0	1,413,391	34.8
Upper	1	50.0	1,336,223	32.9
Unknown Income	0	0	16,432	0.4
Totals	**2**	**100.0**	**4,066,105**	**100.0**

In addition to its two branch locations, Customers also operated a LPO in a moderate-income census tract in the city of Philadelphia, in an effort to reach low- and moderate-income borrowers and small businesses within the assessment area. This office is staffed with lenders focused on both residential and small business lending.

ATMs are available at both branch locations in the assessment area, which provides electronic access to banking services. In addition to the bank's own ATMs, bank customers can also access over 55,000 fee-free ATMs though the bank's participation in the Allpoint network.

To supplement traditional banking services, Customers provides telephone banking, and free online banking services, that are accessible through computers, tablets, and smartphones. Online banking allows customers to view account balances, transfer funds, complete person-to-person transfers, open new accounts and complete online bill pay. Consumers can apply for loan products via the bank's website at http://www.customersbank.com. Finally, customers can complete remote deposits using the smartphone mobile banking application.

Changes in Branch Locations

Customers' record of opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly to low- or moderate-income census tracts or individuals. Customers closed a total of five branches during the evaluation period. Of the five closures, one was in a moderate-income tract, one was in a middle-income tract, and three were located in upper-income tracts. It is noteworthy that one of the closures, which was in a moderate-income tract, was of the bank's main office in Phoenixville, PA. That location included a bank branch, which was closed on June 15, 2022. The bank relocated its main office to Malvern, PA as of June 15, 2022, but no branch is located there, and as a result, it is not reflected in the table above.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. As mentioned above, both of Customers' branches in the assessment area include ATMs which are equipped with both English and Spanish languages. Of the two branches in the assessment area, one has drive-through facilities, and also offers lobby-hours in addition to drive-through hours[13]. Both branch locations operate Monday through Friday, with slightly extended hours on Friday.

Bank Products

Customers offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

- Interest Checking, a personal checking account with no minimum balance requirement, no monthly service fee, and unlimited check writing. Mobile Check Deposit, Online Banking, Text Banking, and Bill Pay are free of charge with this account.
- Business Checking, a commercial checking account with a low minimum opening deposit requirement ($50) and no minimum balance requirement. Includes no per-check, deposit, or item fees, and provides for unlimited check writing, and no fee for cash counting service. This account provides greater access to banking services for small businesses.

Community Development Services

Customers' provides a relatively high level of community development services in this assessment area.

Over the evaluation period, officers and employees served in various capacities on boards of community development organizations, participated on loan and finance committees, and provided technical assistance to community development organizations. Some notable examples include:

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[13]The branch located at 513 Kimberton Road, Phoenixville, PA has a drive-through facility.

- The bank's SVP/regional chief lending officer in Philadelphia serves as a board member and treasurer of The Lighthouse, Inc., a non-profit providing community services and economic development services to Philadelphia's Kensington and North Philadelphia communities.
- The bank's SVP of small business lending in Philadelphia serves on the loan committee at the Philadelphia Industrial Development Corporation (PIDC), an economic development corporation located in the assessment area.
- A CRA mortgage loan officer provided numerous home ownership workshops in the assessment area through Asociacion Puertorriquenos en Marcha and New Kensington Community Development Corporation (CDC), two organizations which serve low- and moderate-income individuals and families.
- An AVP/CRA loan officer provided numerous home ownership workshops in the assessment area through Congreso de Latinos Unidos, Grace Neighborhood CDC, and the Neighborhood Housing Services of Camden, and HACE CDC.
- The SVP/director of multicultural banking serves on the board of the Asian American Chamber of Commerce of Greater Philadelphia, a nonprofit organization that promotes economic development between Asian and non-Asian businesses. The organization's focus is promoting the growth of area small and minority-owned businesses. The same bank officer also serves as the chairman of the board of the Congreso de Latinos Unidos, a non-profit organization that provides a wide range of community services to low- and moderate-income families in predominantly Latino neighborhoods.
- A bank officer serves on the bank advisory committee of FINANTA, a CDFI facilitating access to capital and consultation services for consumers, entrepreneurs, and first-time homebuyers in the Philadelphia region.
- A bank officer sits on the credit committee of Community Lenders, a nonprofit, multi-bank community development corporation committed to partnering with public and private organizations. Their mission is to provide long-term financing to organizations committed to improving their communities. Their goal is to bring opportunities to communities through housing and commercial development projects that benefit low- and moderate-income individuals in Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton and Philadelphia counties.
- A bank officer serves on the board of Chester County Economic Development Council (CCEDC), whose core services include: small business financing solutions, location services, workforce development, and innovation and entrepreneurship guidance for small businesses.
- A bank officer serves on the board of directors of the Chester County Food Bank, which distributes food to low- and moderate-income communities.

Finally, in an effort to assist CDFIs serving small and very small businesses, Customers provided SBA Deposit Account Control Agreements (DACAs) to three partner CDFIs in the Philadelphia, PA assessment area. DACAs are required in order for a CDFI to secure funding from the SBA. The CDFI is required to establish a Microloan Revolving Fund along with a Loan Loss Reserve Fund deposit account with a financial institution to receive SBA funding and associated matching support. Customers waived the monthly fees associated with the accounts. The accounts offered added leverage and lending capacity when confronted with the direct impacts of the COVID-19 pandemic.

READING, PA ASSESSMENT AREA
FULL-SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

Customers' Reading, PA assessment area consists of the entirety of Berks County, which is coterminous with the Reading, PA MSA. As of the 2015 ACS, the population of the assessment area measured 413,965 residents.

For the purposes of assessing Customers' CRA performance in the Commonwealth of Pennsylvania, and overall, the Reading, PA assessment area was weighted second, behind the Philadelphia, PA assessment area. Of the bank's total loans, 4% by number, and 13% by dollar volume were originated in the Reading, PA assessment area. Further, 47% of the bank's total deposits ($8 billion) were located in the assessment area, and two of the bank's six branches (33% of all branch locations) were located in the assessment area.

Customers' CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

According to 2015 ACS data, the Reading, PA assessment area contained 90 census tracts. Nineteen tracts (21%) were designated as low-income, seven (8%) were moderate-income, 48 (53%) were middle-income, and 16 (18%) were designated as upper-income tracts. The low- and moderate-income census tracts were mainly concentrated in the city of Reading, the largest urban center in the MSA. Of the assessment area's population of 413,965, 21% of individuals resided within these low- and moderate-income census tracts.

A map of the assessment area the time of the 2015 ACS is available in Appendix F.

According to the FDIC's Deposit Market Share Report, as of June 30, 2022[14], there were 17 depository institutions operating in the bank's Reading, PA assessment area. These institutions maintained a total of 98 branches, holding over $22 billion in deposits. Customers, with four branches in the assessment area at the time of the most recently available FDIC report, ranked first, with $8 billion, or 36% of the deposit market. Santander Bank, N.A. ranked second with six branches holding $5.4 billion (24%) of the deposit market, followed by Wells Fargo Bank, N.A. with 10 branches and $2.1 billion (almost 10%) of deposits. Notably, the top two banks in the assessment area together control almost 61% of the deposit market.

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[14] The time of the June 30, 2022 report, which was the most recent report available at the time of the evaluation, Customers had a total of four branches operating in the Reading, PA assessment area. Details on branch closures that occurred in the assessment area during the evaluation period are described under the "Conclusions with Respect to Performance Tests" heading, in the "Service Test" section.

Customers reports home-mortgage loans pursuant to HMDA and was compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. This data is reported annually. In 2020, a total of 416 institutions reported 16,734 HMDA loan originations and purchases within the assessment area. Customers ranked sixteenth in the HMDA market with just over 1% of total HMDA originations and purchases. Wells Fargo Bank, N.A. ranked first in the HMDA market with almost 9% of total HMDA originations and purchases, followed by Mortgage America, Inc. with 6% of the market, and Quicken Loans, LLC with almost 6% of the HMDA market.

The 2021 aggregate HMDA data showed nearly a 11% increase in overall HMDA lending compared to 2020, with 448 lenders originating or purchasing 18,554 home-mortgage loans in the assessment area. Customers ranked twentieth with just over 1% of the market. Rocket Mortgage, LLC led the market with nearly 7% of the market share, followed by Wells Fargo Bank, N.A. with over 6%, and Mortgage America, Inc. with almost 5% market share.

Similarly, the institution reports its small business loans pursuant to the CRA, and was compared to the aggregate of all small business and small farm lenders operating in the assessment area. This data is also reported annually. According to 2020 data, there were 121 small business and small farm reporters in the assessment area, who originated or purchased a total of 8,722 small business and small farm loans. Customers ranked fifth with nearly 6% of the market. American Express, N.B. ranked first with 9% of CRA originations and purchases, followed by VIST Bank with 9% of the market, and Truist Bank with 8% of the CRA market.

In 2021, there were 124 CRA reporters who originated or purchased 9,609 small business and small farm loans. Customers dropped to eighth, with close to 5% of the market share. American Express, N.B. led the market with nearly 12% of the market, followed by VIST Bank with almost 8% of the market, and US Bank, N.A. with 7% market share.

Since CRA data reporting includes small business loans issued under corporate credit card arrangements, some of the top reporters in the assessment area were national or regional credit card originators. Specifically, in 2021, the top small business and small farm loan reporters included American Express, N.B., US Bank, N.A., Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., Truist Bank, Capital One Bank USA, N.A., Synchrony Bank, and Citibank, N.A., which collectively held 52% of the total small business and small farm loan originations and purchases in the assessment area.

To supplement economic, demographic, and performance data, interviews were conducted with two local community organizations, which provided perspective on the credit and community development needs of the Reading, PA assessment area. One interview was conducted with an affordable housing organization, and the other was conducted with a local philanthropic foundation focused on addressing critical community needs.

The community contacts characterized Reading as a transient city with a sizable Latino population, which is not being adequately serves by the business and banking communities. Credit needs in the area include affordable housing and home repair loans for students and local low- and moderate-income families, and business credit in the form of low-cost loans for small and very small businesses.

Community needs include financial literacy and homebuyers programs that are accessible to non-English speaking citizens, particularly the area's Spanish speaking population, as well as small business and entrepreneurial training, as well as access to broadband services.

Economic Characteristics

Customers' Reading, PA assessment area consists of the entirety of Berks County, Pennsylvania, and is located in the south-central part of the Commonwealth, located approximately 30 miles southeast of Harrisburg, and 70 miles west of Philadelphia. Berks County is home to the city of Reading, which is the largest urban center in the county and serves as the county seat. According to 2015 ACS data, the city of Reading has a high poverty rate, with 27% of families in the city living in poverty. Additionally, the city is made up of primarily low- and moderate-income census tracts, with 43% of tracts designated as low- and 46% designated as moderate-income.

According to Moody's Analytics January 2023 Precis Report, Reading's regional economy is in recovery mode, with pandemic job recovery sitting among the bottom five of Pennsylvania's 19 MSAs and MDs. While the strengths of the area are low business and living costs relative to Philadelphia, and a strong healthcare presence, weak migration trends coupled with a shallow concentration of prime-age workers puts the area at a disadvantage. While some spillover from Philadelphia and New Jersey are helping to soften the negative migration, below-average per capita income and an overreliance on two large employers are concerning weaknesses.

Notably, Reading is one of the most factory-dependent metropolitan areas in Pennsylvania, with East Penn Manufacturing, a company that makes automobile batteries, being the largest employer in the area. According to the Precis report, healthcare is an industry with room for growth in the metro area, especially with the current aging population in the area. While growth of the senior population will increase demand for healthcare, the population of prime age workers does not align with the demand, and could remain a drag on the economy's growth potential in this area.

Education and health services, and manufacturing are leading industries in the area. Specifically, education and health services make up just under 18% of employees, and manufacturing makes up 17%. Other notable industries include professional and business services (13%), government (12%), and retail trade (nearly 11%). As mentioned above, the top two employers in the area are East Penn Manufacturing, and Tower Health. Other smaller, but still significant employers include St. Joseph Medical Center, Carpenter Technology Corporation, Supportive Concepts for Families, and Wal-Mart Supercenter. Overreliance on manufacturing is possible attributed to the area's relatively low levels of educational attainment, with only 16% of adults over 25 holding a college degree, compared to the levels of the Commonwealth and the nation (21%). A large portion of Reading's population has achieved only a high school education (38%), compared to 33% in the Commonwealth, and 26% nationwide.

The seasonally unadjusted unemployment rate for the assessment area, according to the U.S. Department of Labor, Bureau of Labor Statistics, is presented in the following table. The assessment area was hit hard by the pandemic, with unemployment rates in 2020 exceeding those in Pennsylvania and the nation. While unemployment rates fell from 2020 to 2021, the assessment area continued to exceed both the Commonwealth and the nation.

Customers Bank Reading, PA Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)		
Location	**% 2020**	**% 2021**
Berks County/Reading, PA MSA	9.5	6.6
Commonwealth of Pennsylvania	8.9	6.0
United States	8.1	5.3

Housing

According to 2015 ACS data, the Reading, PA assessment area contained 164,853 housing units, 67% of which were owner-occupied, 26% of which were rental units, and 7% of which were vacant. The overall owner-occupancy rate in the assessment area (67%) was higher than the rate in the Commonwealth of Pennsylvania (61%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending within such census tracts. According to 2015 ACS data, of the 110,223 owner-occupied housing units in the assessment area, 7% were located in low-income census tracts, and 4% were located in moderate-income tracts. The majority of owner-occupied units were located in middle-income tracts (61%), and 28% were located in upper-income tracts.

Further, 2015 ACS data shows that single-family units comprised 79% of the assessment area's housing units, while two-to-four family units comprised 8% of the housing, multifamily units consisting of five or more units accounted for 10% of housing units, and 3% of units were mobile homes. The median age of housing stock was 56 years, making it comparable to the housing stock in the Commonwealth of Pennsylvania (54 years).

Median housing value in the Reading, PA assessment area was $168,188, which is just above the median value in the Commonwealth of Pennsylvania ($166,000). However, there was a significant disparity between median housing values in the assessment area's low- and moderate-income census tracts compared to values in middle- and upper-income tracts. Specifically, median housing value in the assessment area's low-income census tracts was $57,520, $82,324 in moderate-income tracts, $166,260 in middle-income tracts, and $217,532 in upper-income tracts.

Finally, median gross rent (rent plus utilities) was comparable in the assessment area to that in Pennsylvania. Specifically, median gross rent in the Reading, PA assessment area was $851 compared to $840 in Pennsylvania. Within the assessment area, 50% of renters spent more than 30% of their income on rent, which is a higher figure than that in Pennsylvania as a whole (46%).

Borrower Income Data

The percentages of low- and moderate-income families in an assessment area are used as proxies to estimate demand for home-mortgage lending in the assessment area. The 2015 ACS shows that there were 105,998 families in the assessment area.

Of the total families in the assessment area, just over 21% were designated as low-income, 17% were moderate-income, over 21% were middle-income, and 40% were upper-income. Of all families in the assessment area, 10% were living below the poverty line, compared with a rate of 9% for the Commonwealth of Pennsylvania.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon the HUD annually-adjusted median family income data made available by the FFIEC. Median family incomes for the bank's assessment area are listed in the following table for each of the years covered by the evaluation, and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income (120% or Greater)
2020	$78,600	Less than $39,300	$39,300 - $62,879	$63,880 - $94,319	$94,320 or more
2021	$82,200	Less than $41,100	$41,100 - $65,759	$65,760 - $98,639	$98,640 or more

Geographic Business Data

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. Dun & Bradstreet reports business demographics annually. According to Dun & Bradstreet data, in 2020, there were 16,730 businesses in the assessment area. Of these businesses, just over 9% were located in low-income tracts, and 5% were located in moderate-income tracts. The majority of businesses were located in middle- and upper-income census tracts (over 58% and 27%, respectively). Business demographic data also revealed that of the 16,730 businesses located in the assessment area, 90% were small businesses with gross annual revenues of $1 million or less.

In 2021, there were 16,688 businesses in the assessment area. Of these businesses, just over 9% were located in low-income tracts, and 5% were located in moderate-income tracts. Once again, over of 58% of businesses were located in middle-income tracts, and 27% were located in upper-income tracts. Of the 16,688 businesses in the assessment area, 90% were small businesses with gross annual revenues of $1 million or less.

Assessment area demographics used in evaluating Customers' performance in the Reading, PA assessment area in 2020 and 2021 are detailed in the tables on the following pages.

Customers Bank Reading, PA Assessment Area Assessment Area Demographics 2020								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	19	21.1	14,145	13.3	5,931	41.9	22,665	21.4
Moderate-income	7	7.8	4,853	4.6	1,100	22.7	18,178	17.1
Middle-income	48	53.3	60,604	57.2	3,092	5.1	22,651	21.4
Upper-income	16	17.8	26,396	24.9	743	2.8	42,504	40.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**90**	**100.0**	**105,998**	**100.0**	**10,866**	**10.3**	**105,998**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	26,174	7,843	7.1	30.0	14,304	54.6	4,027	15.4
Moderate-income	8,763	4,500	4.1	51.4	3,335	38.1	928	10.6
Middle-income	92,461	67,388	61.1	72.9	19,995	21.6	5,078	5.5
Upper-income	37,455	30,492	27.7	81.4	5,455	14.6	1,508	4.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**164,853**	**110,223**	**100.0**	**66.9**	**43,089**	**26.1**	**11,541**	**7.0**
	Total Businesses by Tract	**Businesses by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low-income	1,553	9.3	1,391	9.2	147	10.3	15	6.2
Moderate-income	874	5.2	779	5.2	87	6.1	8	3.3
Middle-income	9,762	58.4	8,724	57.9	879	61.6	159	65.7
Upper-income	4,541	27.1	4,167	27.7	314	22.0	60	24.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**16,730**	**100.0**	**15,061**	**100.0**	**1,427**	**100.0**	**242**	**100.0**
	Percentage of Total Businesses:		**90.0**			**8.5**		**1.4**
	Total Farms by Tract	**Farms by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1	0.2	1	0.2	0	0.0	0	0.0
Middle-income	432	79.4	420	79.4	12	80.0	0	0.0
Upper-income	111	20.4	108	20.4	3	20.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**544**	**100.0**	**529**	**100.0**	**15**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:		**97.2**			**2.8**		**0.0**

2015 ACS Data and 2020 D&B Information

Customers Bank Reading, PA Assessment Area Assessment Area Demographics 2021								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	19	21.1	14,145	13.3	5,931	41.9	22,665	21.4
Moderate-income	7	7.8	4,853	4.6	1,100	22.7	18,178	17.1
Middle-income	48	53.3	60,604	57.2	3,092	5.1	22,651	21.4
Upper-income	16	17.8	26,396	24.9	743	2.8	42,504	40.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**90**	**100.0**	**105,998**	**100.0**	**10,866**	**10.3**	**105,998**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	26,174	7,843	7.1	30.0	14,304	54.6	4,027	15.4
Moderate-income	8,763	4,500	4.1	51.4	3,335	38.1	928	10.6
Middle-income	92,461	67,388	61.1	72.9	19,995	21.6	5,078	5.5
Upper-income	37,455	30,492	27.7	81.4	5,455	14.6	1,508	4.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**164,853**	**110,223**	**100.0**	**66.9**	**43,089**	**26.1**	**11,541**	**7.0**
	Total Businesses by Tract	**Businesses by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low-income	1,557	9.3	1,398	9.3	143	10.3	16	6.4
Moderate-income	868	5.2	774	5.1	86	6.2	8	3.2
Middle-income	9,732	58.3	8,712	57.9	854	61.6	166	66.1
Upper-income	4,531	27.2	4,167	27.7	303	21.9	61	24.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**16,688**	**100.0**	**15,051**	**100.0**	**1,386**	**100.0**	**251**	**100.0**
	Percentage of Total Businesses:		**90.2**		**8.3**			**1.5**
	Total Farms by Tract	**Farms by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1	0.2	1	0.2	0	0.0	0	0.0
Middle-income	423	79.8	410	79.8	13	81.3	0	0.0
Upper-income	106	20.0	103	20.0	3	18.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**530**	**100.0**	**514**	**100.0**	**16**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:		**97.0**		**3.0**			**0.0**

2015 ACS Data and 2021 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of all sizes, including small businesses;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Lending Activity

Customers' lending levels in the Reading, PA assessment area reflect good responsiveness to the assessment area's credit needs. During the evaluation period, lending activity in the Reading, PA assessment area represented 4% of the bank's overall lending by number of loans, and 13% by dollar volume. During the evaluation period, Customers made 472 HMDA loans totaling $96.2 million, and 953 small business loans totaling just under $88 million in the Reading, PA assessment area. The vast majority of the bank's small business loans consisted of loans made under the PPP. Of the bank's total small business lending during the evaluation period, only 38 loans in the amount of less than $6.8 million were made to businesses with reported revenues of $1 million or less.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered, good penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes, including small businesses.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area in driving lending performance, due to the demographics of the assessment area. Further, due to loan volumes, small business loans are given the most weight in determining the bank's overall borrower distribution of loans, followed by HMDA loans.

Home-Mortgage Lending

Customers' distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is excellent.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area.

As noted previously, according to the 2015 ACS data, over 21% of assessment area families were low-income, 17% were moderate-income, 21% were middle-income, and 40% were upper-income. Nearly 39% of families, using 2015 ACS Census data, were designated as low- or moderate-income families. This indicates a notable need for home-mortgage credit among this segment of the population.

The following tables compare Customers' home-mortgage lending to aggregate lending levels, using the percentages of low- and moderate-income families in the assessment area as proxies for loan demand. Both tables, used to evaluate lending in 2020 and 2021 respectively, rely on 2015 ACS data to estimate demand for home-mortgage credit among low- and moderate-income families, along with updated HMDA data, following the requirements of Regulation C.

Customers Bank Reading, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
		Aggregate Comparison	
	% Families by Family Income (2015 ACS Data)	**2020**	
Income Level		**% Customers' Lending**	**% Aggregate Lending**
Low	21.4	49.4	7.9
Moderate	17.1	28.9	19.1
Middle	21.4	7.1	21.6
Upper	40.1	6.3	33.0
Unknown	0.0	8.3	18.4
Total	**100.0**	**100.0**	**100.0**

Customers Bank Reading, PA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
		Aggregate Comparison	
	% Families by Family Income (2015 ACS Data)	**2021**	
Income Level		**% Customers' Lending**	**% Aggregate Lending**
Low	21.4	56.7	9.2
Moderate	17.1	27.5	20.3
Middle	21.4	7.7	22.6
Upper	40.1	2.6	31.3
Unknown	0.0	5.6	16.6
Total	**100.0**	**100.0**	**100.0**

Lending to Low-Income Borrowers

For the period under review, Customers' lending to low-income borrowers was excellent.

In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration median family incomes and housing costs, and the challenges faced by low-income borrowers in saving for a down payment and closing costs, which can present a significant obstacle to homeownership, thereby limiting lending opportunities.

Customers' lending in 2020 to low-income borrowers was excellent. In total, 49% of the bank's HMDA loans (118 loans) were originated to low-income borrowers, significantly exceeding the aggregate lending level of 8% and the proxy of 21%. By loan category, Customers originated 56% of its home purchase loans, 14% of its refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to low-income borrowers. In comparison, aggregate lenders made 13% of home purchase loans, 4% of refinance loans, 7% of home improvement loans, 1% of multifamily loans, 11% of other purpose lines of credit, 7% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to low-income borrowers in 2020.

Customers' lending in 2021 to low-income borrowers was excellent. In total, 57% of the bank's HMDA loans (132 loans) were originated to low-income borrowers, which was significantly above the aggregate lending level of 9%, and the proxy of 21%. By loan category, Customers originated 61% of its home purchase loans, 26% of its refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to low-income borrowers. In comparison, aggregate lenders made 14% of its home purchase loans, 6% of refinance loans, 7% of home improvement loans, no multifamily loans, 11% of other purpose lines of credit, 9% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to low-income borrowers in 2021.

Lending to Moderate-Income Borrowers

For the period under review, the bank's lending to moderate-income borrowers was excellent.

Customers' lending in 2020 to moderate-income borrowers was excellent. In total, 29% of the bank's HMDA loans (69 loans) were originated to moderate-income borrowers, significantly above the aggregate lending level of 19% and the proxy of 17%. By loan category, Customers originated 32% of its home purchase loans and 14% of its refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to moderate-income borrowers. In comparison, aggregate lenders made 26% of home purchase loans, 15% of refinance loans, 17% of home improvement loans, no multifamily loans, 15% of other purpose lines of credit, 15% of other purpose closed/exempt loans, and 1% of loans with purpose "not applicable" to moderate-income borrowers in 2020.

Customers' lending in 2021 to moderate-income borrowers was excellent. In total, 28% of the bank's HMDA loans (64 loans) were originated to moderate-income borrowers, which was above the aggregate lending level of 20% and proxy of 17%. By loan category, Customers originated 27% of its home purchase loans, 35% of refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" to moderate-income borrowers. In comparison, aggregate lenders made 25% of home purchase loans, 18% of refinance loans, 21% of home improvement loans, 2% of multifamily loans, 17% of other purpose lines of credit, 16% of other purpose closed/exempt loans, and less than 1% of loans with purpose "not applicable" to moderate-income borrowers in 2021.

Small Business Lending

An analysis of Customers' borrower distribution of small business loans reflects good penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less. Small business loans are further analyzed to identify those loans to businesses with gross annual revenues of $1 million or less, namely small businesses.

The number of businesses operating in the Reading, PA assessment area is used as a proxy to estimate demand for business credit in that assessment area. According to available Dun & Bradstreet business demographic data, in 2020 there were 16,730 businesses in the assessment area, with 15,061 (90%) designated as small businesses. In 2021, there were 16,688 businesses in the assessment area, 15,051 (90%) of which were small businesses.

In 2020, the bank's borrower distribution of small business loans was good, considering performance context factors. In 2020, Customers originated 489 small business loans within the assessment area, aggregating $57.7 million. Of these loans, 4% (17 loans) were originated to small businesses. Notably, 91% of the bank's small business loan originations (445 loans) were to businesses with unknown revenues. This is attributable to the bank's participation in the SBA PPP[15]. Under this program, institutions were not required to collect revenue information. The COVID-19 pandemic was an unprecedented global event that impacted businesses of all sizes, most notably smaller businesses that typically do not have an excess of capital to weather long periods of closure and slashed revenues. Customers' significant participation in this program is considered in the evaluation of its borrower distribution of lending.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was well below the aggregate lending level of 41% to small businesses, and the proxy of 90%. However, when considering the bank's PPP lending, which is reasonably inferred to be supportive of small businesses in need for capital, the bank's performance is considered to be good.

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[15] In April 2020, the PPP was established by the CARES Act, and implemented by the SBA (Federal Register 13 CFR Part 120). The PPP program provided small businesses with funds to pay up to eight weeks of payroll costs, including benefits. Funds could also be used to pay interest on mortgages, rent, and utilities.

Small business loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, and thus added weight is given to such loans in determining whether an institution is meeting the credit needs of small businesses. In 2020, 69% of Customers' small business loans were extended in amounts of $100 thousand or less. Aggregate data indicates that 84% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

In 2021, the bank's borrower distribution of small business loans was good, again considering performance context factors. In 2021, Customers originated 464 small business loans within the assessment area, aggregating $30.3 million. Of these loans, 5% were originated to small businesses (21 loans). As noted above, Customers' participation in the PPP significantly impacted the bank's small business loan data. Ninety-three percent of the bank's small business loan originations (431 loans) were to businesses with unknown revenues, and it is reasonable inferred that these originations were to benefit small businesses impacted by the COVID-19 pandemic.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was well below the aggregate lending level of 50% to small businesses, and the proxy of 90%. When considering the bank's PPP lending, the bank's performance was once again considered to be good.

In 2021, 84% of Customers' small business loans were extended in amounts of $100 thousand or less (390 loans). This performance just trailed aggregate lenders, who made 89% of small business loans in an amount of $100 thousand or less.

Geographic Distribution of Loans

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. The overall analysis reflects excellent penetration throughout the Reading, PA assessment area, including low- and moderate-income census tracts. Once again, it is noted that small business loans were given greater weight in determining this conclusion, given their higher volume by number and dollar amount, followed by HMDA loans.

Home-Mortgage Lending

Customers' distribution of home-mortgage loans among geographies of different income levels, including low- and moderate-income census tracts was excellent. As noted earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts, Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2015 ACS data, 7% of the assessment area's owner-occupied housing stock was located in low-income census tracts, and 4% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle-income tracts (61%), and the remaining 28% of owner-occupied housing was located in upper-income tracts.

The following tables present Customers' geographic distribution of HMDA loans in 2020 and 2021, in comparison to the applicable owner-occupied housing proxies and the aggregate lending levels in the assessment area. The tables used for lending in both years rely on 2015 ACS data, along with updated HMDA data, following the requirements of Regulation C.

Customers Bank Reading, PA Assessment Area Geographic Distribution of HMDA Loans			
		Aggregate Comparison	
Census Tract Income Level	**% Owner-Occupied Units (2015 ACS Data)**	**2020**	
		% Customers' Lending	**% Aggregate Lending**
Low	7.1	31.4	4.2
Moderate	4.1	20.9	3.6
Middle	61.1	39.7	60.5
Upper	27.7	7.9	31.6
Unknown	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Customers Bank Reading, PA Assessment Area Geographic Distribution of HMDA Loans			
		Aggregate Comparison	
Census Tract Income Level	**% Owner-Occupied Units (2015 ACS Data)**	**2021**	
		% Customers' Lending	**% Aggregate Lending**
Low	7.1	38.2	5.1
Moderate	4.1	16.7	3.5
Middle	61.1	39.1	60.6
Upper	27.7	6.0	30.8
Unknown	0.0	0.0	0.0
Total	**100.0**	**100.0**	**100.0**

Lending in Low-Income Census Tracts

For the period under review, Customers' overall HMDA lending in low-income tracts was excellent.

Customers' lending in low-income census tracts in 2020 was excellent. The bank originated 31% of HMDA loans (75 loans) in low-income tracts in 2020, which was well above both the proxy of 7% and the aggregate lending level of 4%. Categorized by loan product type, Customers made 35% of its home purchase loans, 30% of its multifamily loans, and no refinance loans, home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in low-income tracts in 2020. Aggregate 2020 lending data show that 7% of home purchase loans, 2% of refinance loans, 3% of home improvement loans, 21% of multifamily loans, 5% of other purpose lines of credit, 3% of other purpose closed/exempt loans, and 9% of loans with purpose "not applicable" were made in low-income tracts in the assessment area.

Customers' lending in low-income census tracts in 2021 was excellent. Customers originated 38% of HMDA loans (89 loans) in low-income tracts in 2021, which was well above both the proxy of 7% and the aggregate lending level of 5%. Categorized by loan product type, Customers made 40% of its home purchase loans, 22% of its refinance loans, 33% of its multifamily loans, and no home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in low-income tracts in 2021. Aggregate 2021 lending data show that 9% of home purchase loans, 2% of refinance loans, 6% of home improvement loans, 38% of multifamily loans, 4% of other purpose lines of credit, 4% of other purpose closed/exempt loans, and 5% of loans with purpose "not applicable" were made in low-income tracts in the assessment area.

Lending in Moderate-Income Census Tracts

For the period under review, the bank's HMDA lending in moderate-income tracts was excellent.

Customers' lending in moderate-income census tracts in 2020 was excellent. In 2020, the bank's HMDA lending in moderate-income tracts was 21% (50 loans), which measured well above both the proxy of owner-occupied housing in moderate-income tracts and the aggregate performance (both 4%). Categorized by loan product type, Customers made 22% of its home purchase loans, 10% of refinance loans, 20% of multifamily loans, and no home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in moderate-income tracts in 2020. Aggregate lending data shows that 6% of home purchase loans, 2% of refinance loans, 2% of home improvement loans, 17% of multifamily loans, 2% of other purpose lines of credit, 2% of other purpose closed/exempt loans, and 7% of loans with purpose "not applicable" were made in moderate-income tracts in the assessment area in 2020.

Customers' lending in moderate-income census tracts in 2021 was excellent. In 2021, Customers' HMDA lending in moderate-income census tracts was 17% (39 loans), which measured well above the proxy of owner-occupied housing in moderate-income tracts and the aggregate performance (both 4%). Categorized by loan product type, Customers made 17% of its home purchase loans, 17% of refinance loans, and no home improvement loans, multifamily loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in moderate-income tracts in 2021. Aggregate lending data shows that 5% of home purchase loans, 2% of refinance loans, 2% of home improvement loans, 13% of multifamily loans, 2% of other purpose lines of credit, 3% of other purpose closed/exempt loans, and 8% of loans with purpose "not applicable" were made in moderate-income tracts in the assessment area in 2021.

Small Business Lending

The geographic distribution of Customers' small business loans reflects excellent penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on Dun & Bradstreet business data in 2020, there were 16,730 businesses in the assessment area.

Of these, just over 9% were located in low-income tracts, and 5% were located in moderate-income tracts. The majority of businesses were located in middle- and upper-income tracts (over 58% and 27%, respectively). Very little change in the geographic distribution of small businesses was noted in 2021.

The tables below present Customers' small business geographic distribution, in comparison to the applicable business proxy and aggregate lending levels in the assessment area for the two years evaluated.

Customers Bank Reading, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	**% Businesses by Tract Income Level (2020 D & B Data)**	**Aggregate Comparison**	
		2020	
		% Customers' Lending	**% Aggregate Lending**
Low	9.3	9.8	8.9
Moderate	5.2	6.3	4.8
Middle	58.4	54.8	57.7
Upper	27.1	29.1	28.3
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.3
Total	**100.0**	**100.0**	**100.0**

Customers Bank Reading, PA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	**% Businesses by Tract Income Level (2021 D & B Data)**	**Aggregate Comparison**	
		2021	
		% Customers' Lending	**% Aggregate Lending**
Low	9.3	20.0	9.2
Moderate	5.2	7.1	4.8
Middle	58.3	48.1	57.1
Upper	27.2	24.8	28.4
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.6
Total	**100.0**	**100.0**	**100.0**

Lending in Low-Income Census Tracts

Customers' small business lending in low-income tracts was excellent.

In 2020, the geographic distribution of the bank's small business lending in low-income census tracts was good. Customers originated 10% of its small business loans (48 loans) in the assessment area's low-income census tracts. The bank's lending level was slightly above both the applicable business loan demand proxy and the 2020 aggregate small business lending level (both 9%).

In 2021, the geographic distribution of the bank's small business lending in low-income census tracts was excellent. Customers originated 20% of its small business loans (93 loans) in the assessment area's low-income tracts. The bank's lending level exceeded both the applicable business loan demand proxy of 9%, and the 2021 aggregate small business lending level of 9%.

Lending in Moderate-Income Census Tracts

Customers' small business lending in moderate-income tracts was excellent.

In 2020, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers' originated 6% of its small business loans (31 loans) in the assessment area's moderate-income census tracts. The bank's lending level exceeded both the applicable business loan demand proxy of 5%, and the 2020 aggregate small business lending level of 5%.

In 2021, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers originated 7% of its small business loans (33 loans) in the assessment area's moderate-income census tracts. The bank's lending level exceeded both the applicable business loan demand proxy and the 2021 aggregate small business lending level (both 5%).

Responsiveness to Credit Needs

Customers exhibits an good record of serving the credit needs of low- and moderate-income individuals and areas and very small businesses, consistent with safe and sound banking practices. As mentioned previously, community contacts identified access to affordable housing, small business loans, and community services as specific needs within the Reading, PA assessment area.

In addition to responsiveness through its retail HMDA and small business lending, the bank's extensive use of innovative and flexible retail lending practices, and its community development lending display responsiveness to these community and credit needs, and are discussed in more detail below. Further, Customers was an active participant in the SBA PPP, and funded 876 PPP loans totaling $69 million in the Reading, PA assessment area in 2020 and 2021. The funding of these PPP loans demonstrates responsiveness to the needs of small businesses affected by the COVID-19 Pandemic. One of the bank's PPP loans, totaling $1.5 million was included in the bank's community development lending totals.

Innovative and/or Flexible Lending Practices

Customers makes extensive use of innovative and/or flexible lending practices in serving the Reading, PA assessment area's credit needs. Through a number of different programs, the bank made home-mortgage loans to low- and moderate-income borrowers, and small business loans during the evaluation period.

Often, the home-mortgage credit needs of low- and moderate-income individuals and families can be addressed more effectively by alternative mortgage products. The bank offers several programs for first-time homebuyers. Customers offers a proprietary residential mortgage product (Affordable Mortgage) developed for low- and moderate-income borrowers. The product allows for flexible underwriting standards including lower minimum credit score requirements, lower minimum down payment requirements, higher loan-to-value allowance, no private mortgage insurance with 20% or more down payment, and competitive rates. During the evaluation period, Customers made 69 affordable mortgage loans totaling nearly $7.5 million within the Reading, PA assessment area.

In addition to its proprietary mortgage product, the bank also offers first-time homebuyer products through government-backed lending programs (FHA, VA, and USDA) and Fannie Mae's HomeReady® Mortgage Program. Through these programs, the bank makes home-mortgage loans to low- and moderate-income borrowers in conjunction with grants and forgivable loans. The programs have income parameters that effectively restrict them to low- and moderate-income borrowers. During the evaluation period, Customers made 55 FHA loans totaling $9.2 million, and 12 HomeReady® mortgage loans totaling just under $2 million.

The bank is a participating lender with the PHFA, which offers various affordable homebuyer loans, with competitive rates and lower fees, and grants for closing cost and down payment assistance. During the evaluation period, the bank made 82 PHFA FHA loans totaling almost $11 million, and 79 PHFA Conventional loans totaling $10.4 million.

Finally, the bank participates in a number of down payment and closing cost assistance programs through the PHFA (K-FIT program), NHS (NHS subordinate loans), and the FHLB of Pittsburgh (First Front Door program). Under the K-FIT and NHS programs, subordinate, often forgivable, secondary loans are made to provide assistance towards down payments and/or closing costs, while the First Front Door program provides first-time homebuyers with down payment and closing cost assistance, up to $5,000. As part of the First Front Door program, Customers provides $3 for every eligible dollar the borrower provides towards the down payment or closing costs. During the evaluation period, 118 borrowers received K-FIT loans totaling $851 thousand, 71 borrowers received NHS subordinate loans totaling $1.2 million, one borrower received an NHS Run K grant in the amount of $2,500, and borrowers received First Front Door grants totaling nearly $227 thousand.

Similarly, the credit needs of small businesses can often be addressed more effectively through alternative products. In an effort to address the credit needs of small businesses in its assessment area, Customers participates in the Small Business Administration (SBA) loan program. During the evaluation period, Customers made five SBA 7a loans totaling just over $5 million, which financed small businesses in the Reading, PA assessment area.

Community Development Lending

Customers makes an adequate level of community development loans in the assessment area. During the period evaluated, which included the timeframe between November 3, 2020 through April 10, 2023, the bank made seven community development loans in the assessment area, totaling $20.4 million. Customers' community development lending showed a decrease from the previous examination when community development loans totaled $38 million (11 loans)[16]. Of the bank's total community development lending by dollar volume, 15% was within the Reading, PA assessment area.

One loan for $1 million (5%) supported affordable housing initiatives for low- and moderate-income individuals. The remaining six loans totaling $19.4 million (95%) benefitted revitalization/ stabilization efforts in the assessment area. A majority of downtown Reading is in the designated Federal Qualified Opportunity Zone and many downtown Reading properties are considered Keystone Opportunity Zones. Both programs are designed to spur economic development and job creation in low-income communities by offering tax incentives for investment into designated distressed census areas in the community. According to the Pennsylvania Department of Community & Economic Development's Qualified Opportunity Zone Face Sheet, Opportunity Zone census tracts in Pennsylvania were selected based on their distressed economic status. The Keystone Opportunity Zone program guidelines state the program develops a community's abandoned, unused, underutilized land and buildings into business districts and residential areas that present a well-rounded and well-balanced approach to community revitalization.

The following table includes the bank's community development loans in the Reading, PA assessment area, broken out by community development purpose.

	Customers Bank Reading, PA Assessment Area Community Development Lending									
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	3	6,889	3	6,889
2022	1	1,000	0	0	0	0	3	12,500	4	13,500
TOTAL	**1**	**1,000**	**0**	**0**	**0**	**0**	**6**	**19,389**	**7**	**20,389**

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment, deposit, membership share, or grant, including a donation or in-kind contribution of property, that has as its primary purpose, community development.

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[16]When considering the length of the prior evaluation period (March 29, 2016 through November 2, 2020, or approximately 55 months), which was roughly double the length of the time period reviewed compared to this evaluation (November 3, 2020 through April 10, 2023, or approximately 29 months), the community development loan dollar volume was comparable to last time.

Volume of Investment and Grant Activity

Customers has an adequate level of qualified community development investments and grants, rarely in a leadership position. Qualified investments, grants, and donations for the Reading, PA assessment area totaled over $3.2 million, which is lower than the investment level of $4.7 million at the prior examination.[17] Of the bank's overall investments, just under 10% were within the Reading, PA assessment area.

Investments and donations totaling over $2.1 million supported affordable housing initiatives (67%), $158 thousand (5%) supported economic development in the assessment area, almost $884 thousand (27%) supported the provision of community development services, and $10 thousand (less than 1%) supported revitalization/stabilization efforts in the assessment area.

Of the $2.6 million in qualified investments in the Reading, PA assessment area, $2 million (nearly 76%) were comprised of funds invested primarily in mortgage-backed securities and commercial mortgage-backed securities that support affordable housing. Investments totaling almost $338 thousand (nearly 13%) supported educational improvement tax credits providing needed community services to low- and moderate-income individuals in the assessment area. Investments into Pennsylvania's Neighborhood Partnership and Neighborhood Assistance Programs, which provides tax incentives for projects supporting distressed areas and neighborhood conservation efforts in the assessment area, comprised $325 thousand (12%) of the bank's total investment dollars in the Reading, PA assessment area. Other notable investments include contributions to local universities and small business development programs, including a small business development corporation and a local business incubator for very small and small businesses.

The bank also made numerous donations and grants totaling nearly $560 thousand to local organizations that routinely provide community development services in the assessment area. Of the total dollar amount, $21 thousand supported affordable housing (less than 4%), $396 thousand was to organizations that provide community services to low- and moderate-income individuals (71%), $133 thousand supported economic development (24%), and $10 thousand supported revitalization/stabilization efforts (just under 2%).

The following table presents the investment and grant activity for the Reading, PA assessment area.

| | Customers Bank Reading, PA Assessment Area Qualified Investments | | | | | | | | | |
| CD Category | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
Qualified Investments	3	2,150	7	488	1	25	0	0	11	2,663
Donations	5	21	41	396	5	133	1	10	52	560
In-Kind Donations	0	0	0	0	0	0	0	0	0	0
TOTAL	**8**	**2,171**	**48**	**884**	**6**	**158**	**1**	**10**	**63**	**3,223**

[17] The length of the prior evaluation period (approximately 55 months) was roughly double the length of the time period reviewed compared to this evaluation (approximately 29 months). Therefore, the apparent decline in investments is not as significant as overall levels would appear to indicate.

Responsiveness to Credit and Community Development Needs

Customers' exhibits good responsiveness to credit and community development needs of the assessment area.

Community contacts identified affordable housing as the most pronounced community needs in the Reading, PA assessment area. While investment and grant activity dropped since the previous evaluation, 67% of the bank's investment and donation dollars in this assessment area addressed affordable housing needs. Additionally, 27% of the bank's investments and donations went to community services for low- and moderate-income individuals, another community need identified by community contacts in the area.

Community Development Initiatives

Customers' makes occasional use of innovative and/or complex investments to support community development initiatives. In the Reading, PA assessment area, the bank participated in the Neighborhood Assistance Program, and Neighborhood Preservation Program, both state tax credit initiatives, providing $325 thousand to three local non-profit organizations serving low- and moderate-income individuals throughout the assessment area. The bank also leveraged an investment fund supporting affordable housing mortgage-backed securities and earned income tax credit programs to assist two local non-profits and an after-school program for low-income students sponsored by a local university.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Accessibility of Delivery Systems

Delivery systems are accessible to the bank's geographies and individuals of different income levels in the assessment area.

During the review period, Customers operated two full-service branches in the Reading, PA assessment area (33% of all branch locations). Using the 2015 ACS data, one branch was located in a moderate-income tract, and the other was located in a middle-income census tract.

The following table details the locations of the bank's branches with comparison to 2015 ACS population demographics. As indicated in the table, 21% of the population is located in low- and moderate-income tracts, and one of the bank's two branches is located in a moderate-income tract.

Customers Bank Reading, PA Assessment Area Retail Branch Distribution 2015 ACS Data				
Census Tract Type	Number of Branches	Percent Branches	Population	Percent of Population
Low	0	0	64,306	15.5
Moderate	1	50.0	22,693	5.5
Middle	1	50.0	230,378	55.7
Upper	0	0	96,588	23.3
Unknown Income	0	0	0	0.0
Totals	**2**	**100.0**	**413,965**	**100.0**

ATMs are available at both branch locations in the assessment area, which provides electronic access to banking services. In addition to the bank's own ATMs, bank customers can also access over 55,000 fee-free ATMs through the bank's participation in the Allpoint network.

To supplement traditional banking services, Customers provides telephone banking, and free online banking services, that are accessible through computers, tablets, and smartphones. Online banking allows customers to view account balances, transfer funds, complete person-to-person transfers, open new accounts and complete online bill pay. Consumers can apply for loan products via the bank's website at http://www.customersbank.com. Finally, customers can complete remote deposits using the smartphone mobile banking application.

Changes in Branch Locations

Customers' record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- or moderate-income census tracts or individuals. Customers closed two branches and relocated one branch during the evaluation period. Both closures occurred in October 2022, and were located in middle-income census tracts. In January 2022, a branch in a moderate-income tract was relocated to another adjacent moderate-income census tract approximately one mile away.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. As mentioned above, both of Customers' branches in the assessment area include ATMs which are equipped with both English and Spanish languages. Of the two branches in the assessment area, one has drive-through facilities, and also offers lobby-hours in addition to drive-through hours[18]. Both branch locations operate Monday through Friday, with slightly extended hours on Friday.

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[18] The branch located at 1101 Woodland Road, Reading, PA has a drive-through facility.

Bank Products

Customers offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

- Personal Checking, a personal checking account with no minimum balance requirement, no monthly service fee, and unlimited check writing. Mobile Check Deposit, Online Banking, Text Banking, and Bill Pay are free of charge with this account.
- Business Checking, a commercial checking account with a low minimum opening deposit requirement ($50) and no minimum balance requirement. Includes no per-check, deposit, or item fees, and provides for unlimited check writing, and no fee for cash counting service. This account provides greater access to banking services for small businesses.

Community Development Services

Customers' provides a relatively high level of community development services in this assessment area.

Over the evaluation period, officers and employees served in various capacities on boards of community development organizations, participated on loan and finance committees, and provided technical assistance to community development organizations. Some notable examples include:

- A bank officer served on the board of Ben Franklin Technology Partners, an economic development organization with a mission to develop and support technology startups. The same officer served on the board of Greater Berks Economic Partnership, an economic development organization that coordinates the Opportunity Zones in the greater Reading area to provide resources to CDFIs and state community development organizations.
- The bank's community development officer served on the board of Alliance for Building Communities, which manages and develops affordable housing in mid-to high-density population communities of Lehigh, Northampton, Berks, Schuylkill and Monroe Counties of Pennsylvania. This officer also served on the board of Our City Reading, a downtown revitalization organization based in Reading, Berks County, PA; and served on the board of Berks Housing Opportunity, which provides affordable housing solutions to low- and moderate-income individuals in Berks County.
- In 2021, an employee served as an advisory member of the finance committee of Habitat For Humanity of Berks County, which focuses on affordable housing and neighborhood revitalization. In 2022, this employee served as treasurer for the organization.
- A bank officer served on the board of Big Brothers Big Sisters Reading, which provides community services to at-risk youth located in low-income areas of Reading, PA.
- A bank officer served on the board of Berks Connections/Pretrial Services (BCPS), a nonprofit organization that provides pretrial services and reentry programming for individuals involved in the justice system, as well as services for their children and loved ones. They offer reentry workforce development, housing, and mentoring programs to equip returning citizens with the tools and support necessary to become productive members of the community.

STATE OF NEW YORK/NEW YORK, NY
ASSESSMENT AREA
FULL-SCOPE REVIEW

STATE RATING

Performance Test	Performance Level
Lending	Outstanding
Investment	Low Satisfactory
Service	Needs to Improve
Overall	Satisfactory

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following:

- The distribution of borrowers, given the product lines offered by the bank, reflects excellent penetration among business customers of different sizes;
- The geographic distribution of loans reflects excellent penetration throughout the assessment area;
- The bank makes use of innovative and/or flexible lending practices;
- The bank makes an adequate level of community development loans in the assessment area;
- The bank has an adequate level of qualified community development investments and grants, rarely in a leadership position; and
- The bank provides a limited level of community development services in its New York, NY assessment area.

SCOPE OF EXAMINATION

For purposes of this CRA evaluation, the state rating is based solely on the bank's performance in the New York, NY assessment area, which was evaluated using full-scope review procedures. Customers operates one branch in the New York, NY assessment area in Rye Brook, NY and one LPO in New York, NY.

Customers' New York performance was evaluated for the period of November 3, 2020 through April 10, 2023. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included HMDA loans, small business loans, and other loans that qualified as community development loans. Due to loan volumes, small business loans were given greater weight in drawing performance conclusions for borrower and geographic distribution. Additionally, due to low HMDA loan volume in 2020 (only three loans were originated), neither borrower nor geographic distribution analyses were performed for this year, as the available data would not be sufficient to provide a conclusion on the bank's performance.

Additionally, due to high levels of HMDA loans originated in 2021 to borrowers of unknown income (98%), these loans were not included in the borrower distribution lending analysis for that year, as they would not be sufficient to provide a meaningful analysis of the bank's overall performance in the New York NY assessment area. Data on these HMDA loans is included in Appendix D, for contextual purposes.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

Customers' New York, NY assessment area consists of Bronx, Kings, New York, Queens, Richmond, and Westchester Counties in New York. These counties are all located in the New York-Jersey City-White Plains, NY-NJ MD, which is a subset of the larger New York-Newark-Jersey City, NY-NJ-PA MSA. The assessment area is situated in the New York City metropolitan area.

For the purposes of assessing Customers' CRA performance overall, slightly less weight was given to the performance in the New York, NY assessment area than the performance in the bank's two Pennsylvania assessment areas, where the majority of the bank's operations were located. Of the bank's total loans, 78%[19] by number, and 62% by dollar volume were originated in the New York, NY assessment area. The bank operates one branch in the New York, NJ assessment area (17% of total branches), which holds $6.8 billion in deposits, or 40% of deposits as of June 30, 2022. Additionally, one of the bank's LPOs is located in the New York, NY assessment area.

Customers' CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

According to 2018 Office of Management and Budget (OMB) revised data[20], the New York, NY assessment area contained 2,390 census tracts. Two-hundred and ninety-six tracts were designated as low-income (12%), 596 were moderate-income (25%), 682 were middle-income (29%), 745 were upper-income (31%), and 71 were designated as unknown-income tracts (3%). The assessment area's population was 9.4 million, with nearly 43% of the population residing in low- or moderate-income census tracts.

A map of the assessment area the time of the 2015 ACS is available in Appendix F.

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[19] Loan volumes in the New York, NY assessment area are due to the bank's high level of PPP lending, which resulted in 3,880 small business loans in 2020, and 21,805 small business loans in 2021. Despite the significant portion of lending in this assessment area, the New York, NY assessment area did not receive the greatest weight in determining overall CRA performance, as these volumes were solely due to the bank's participation in this unique lending program, which would have skewed overall conclusions.

[20] Because large metropolitan areas can grow substantially over time, demographic movements are tracked by the OMB, and are reflected in MSA delineation changes outside of the decennial Census, and the ACS, which takes place every five years. The bank's New York, NY assessment area was affected by such changes, with 2018 OMB changes becoming effective on January 1, 2019. With 2018 OMB changes, New York's Dutchess and Putnum counties were combined to create a new MSA, namely the Poughkeepsie-Newburgh-Middletown, NY MSA. Both counties had previously been part of the New York-Jersey City-White Plains, NY-NJ MD. These changes to metropolitan area boundaries resulted in a change of income-level designations and housing demographics, which ultimately affected tracts within the New York, NY assessment area.

According to the FDIC's Market Share Report, as of June 30, 2022, there were 117 depository institutions operating in the bank's New York, NY assessment area. These institutions maintained a total of 1,769 branches holding nearly $2.2 trillion in deposits. Customers, with one branch in the assessment area, ranked twenty-fourth with $6.8 billion, or less than 1% of the deposit market. JP Morgan Chase Bank, N.A. led the deposit market with $785 billion or 36% market share, followed by Goldman Sachs Bank, USA with almost $260 billion (12%) of deposits, and Morgan Stanley Private Bank, N.A. with nearly $183 billion (8%) of total deposits within the market.

Customers reports home-mortgage loans pursuant to HMDA and was compared to the aggregate of all lenders in the market reporting real estate loans pursuant to HMDA. This data is reported annually. In 2020, a total of 459 institutions reported 128,810 HMDA loan originations and purchases within the assessment area. Customers tied for one hundred and eighty-sixth in the HMDA market with less than 1% of total originations and purchases. Wells Fargo Bank, N.A. ranked first in the HMDA market with over 11% of total HMDA originations and purchases, followed by JP Morgan Chase Bank, N.A. with almost 11%, and Quicken Loans, LLC with 6% of the HMDA market.

The 2021 aggregate HMDA data showed a 26% increase in overall HMDA lending compared to 2020, with 467 lenders originating and purchasing 162,062 home-mortgage loans in the assessment area. Customers tied for one hundred and sixty-second with less than 1% of the market. JP Morgan Chase Bank, N.A. ranked first with nearly 12% of the market share, followed by Wells Fargo Bank, N.A. with almost 10%, and Rocket Mortgage, LLC with 5% of the market share.

Similarly, the institution reports its small business loans pursuant to the CRA and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2020 data, there were 401 CRA reporters in the assessment area, originating or purchasing a total of 324,020 small business and small farm loans. Customers ranked twelfth with just over 1% of the market. JP Morgan Chase Bank, N.A. led the market with almost 24% of all small business and small farm loan originations and purchases, followed by American Express N.B. with almost 22% of the market, and Cross River Bank with 7% of the market's small business and small farm loan originations and purchases.

In 2021, there were 377 CRA data reporters who originated or purchased 376,620 small business and small farm loans. Customers rose to fifth with close to 6% of the market share. American Express, N.B. ranked first with almost 26% of the market, followed by JP Morgan Chase Bank, N.A. with 23%, and Cross River Bank with 7% of the market's total small business and small farm loan originations and purchases.

To supplement economic, demographic, and performance data, interviews were conducted with two local community organizations, which provided perspective on the credit and community development needs of the New York, NY assessment area. One interview was held with a non-profit organization promoting affordable and accessible housing opportunities primarily in the Lower Hudson Valley area and another was held with a non-profit housing organization which focuses on the greater New York and New Jersey multistate area.

The community contacts identified affordable, accessible, and workforce housing as needs in the assessment area. Affordable loans for first-time homebuyers were also seen as a need, due to the challenging nature of the New York City metropolitan area's housing market. This market has a costly housing stock and the high interest rate environment since the onset of the pandemic continues to make homeownership difficult for low- and moderate-income families. Additionally, the high interest rate environment has also made affordable small business loans more in demand. Contacts noted needs for bilingual employees at financial institutions, and community services such as financial literacy training, first-time homebuyer training, and eviction/default and utility shut-off prevention assistance.

Economic Characteristics

As indicated above, Customers' New York, NY assessment area is located in the New York City metropolitan area, within the larger New York-Newark-Jersey City, NY-NJ-PA MSA. Bronx, Kings, New York, Queens, and Richmond Counties make up the five boroughs of New York City, the largest city in New York. Westchester County is located immediately north of Bronx County, and is considered part of the Lower Hudson Valley region of New York. The bank's assessment area reported a population of approximately 9.4 million as of the 2018 OMB update.

According to the Moody's Analytics January 2023 Precis Report for the New York metropolitan area, the assessment area's economy is currently in recovery from the COVID-19 pandemic recession. Though office-based industries are still struggling, tourism has regained its footing, boosting the performance of hospitality jobs. The area boasts high per capita income and limited exposure to the manufacturing sector, allowing for more technology-based industries like healthcare, banking, and finance to flourish. Strong international immigration trends result in high in-flows of new residents, but the effects of the pandemic led to a large recent outflow of residents, netting the area a loss of residents to more affordable suburban areas including Newark, NJ, Nassau County, NY, and Bridgeport, CT. The net population loss can be attributed to high costs including higher tax rates, housing costs, and office rents, along with aging infrastructure.

Strengths of the assessment area's economy include high per-capita income, and a fast-growing technology sector, a skilled labor force, and the fact that New York is the financial capital of the country. On the other hand, weaknesses include high business costs, a declining population, due to the out-migration discussed above, a sizable stat debt burden, and the poor quality of the city's infrastructure.

Leading employment sectors include education and health services (23% of all jobs), government (16%), and professional and business services (14%). Top employers in the assessment area include Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Co, Bank of America, and New York-Presbyterian Healthcare System.

Brief descriptions of each county in the bank's New York, NY assessment area are as follows:

Bronx County

Bronx County had a population of 1.4 million residents as of the 2018 OMB update and is the third most densely populated county in the United States. The county (also considered a borough) is located south of Westchester County, northeast and east of Manhattan, across the Harlem River, and north of Queens, across the East River. Of the counties in the New York, NY assessment area, Bronx County has the lowest median family income, $38,517 as of the 2018 OMB update. Further, the Bronx contains the poorest Congressional district in the United States (15th Congressional District).

About a quarter of its area is open space, including Woodlawn Cemetery, Van Cortlandt Park, Pelham Bay Park, the New York Botanical Garden, and the Bronx Zoo. Several colleges and universities are located in the Bronx, including Fordham University, Hostos Community College, Bronx Community College, Herbert H. Lehman College, The College of Mount Saint Vincent, Manhattan College, and Albert Einstein College of Medicine. The Bronx is the home of the New York Yankees and is home to several Off-Off-Broadway theaters.

Kings County

The population of Kings County, also known as Brooklyn borough, was 2.6 million as of the 2018 OMB, making it the most-populous county in the state, the second-most densely populated county in the United States, and New York City's most populous borough. The county lies at the southwestern end of Long Island, and the borough's western border constitutes the island's western tip. The East River separates Brooklyn from the borough of Manhattan in New York City, and is traversed by the Brooklyn-Battery Tunnel, the Brooklyn Bridge, the Manhattan Bridge, the Williamsburg Bridge, and numerous routes of the New York City Subway. To the east of Brooklyn lies the borough of Queens.

Colleges that are located in the county include the New York City College of Technology, SUNY Downstate College of Medicine, Brooklyn Law School, Pratt Institute, St. Francis College, and Kingsborough Community College. Brooklyn's major professional sports team is the NBA's Brooklyn Nets, which play at the Barclays Center. It is also home to the Brooklyn Museum, the Brooklyn Academy of Music, the Brooklyn Philharmonic, and Coney Island.

New York County

New York County, also known as Manhattan, or as the City, is the urban core of the New York metropolitan area. New York County had a population of over 1.6 million using 2018 OMB data, and is the most densely populated of the five boroughs in New York, NY assessment area. Manhattan serves as the city's economic and administrative center, cultural identifier, and historical birthplace. The borough consists mostly of Manhattan Island, bounded by the Hudson, East, and Harlem rivers, as well as several small adjacent islands. Manhattan Island is divided into three informally bounded components, each aligned with the borough's long axis: Lower, Midtown, and Upper Manhattan.

Anchored by Wall Street in the Financial District of Lower Manhattan, it is home to the world's two largest stock exchanges by total market capitalization: the New York Stock Exchange and NASDAQ. Manhattan is also home to many corporate headquarters and offers over 500 million square feet of office space. Numerous colleges and universities are located in Manhattan, including Columbia University, New York University, The Julliard School, Manhattan School of Music, New York Academy of Art, New York Film Academy, New York Institute of Technology, and New York Law School. Manhattan is a world center for training and education in medicine and receives the second-highest amount of funding from the National Institutes of Health, among all U.S. cities.

Manhattan is described as the cultural, financial, media, and entertainment capital of the world and the borough hosts the United Nations Headquarters. Tourism is vital to Manhattan's economy and millions of people visit the Broadway theater district annually. Manhattan is considered to house the highest professional form of theatre in the United States, boasting 39 large professional theatres in and around Times Square. Likewise, Manhattan boasts some of the most extensive art collections in the world, housed at the Metropolitan Museum of Art, the Museum of Modern Art, the Guggenheim Museum, and many other museums and galleries. Finally, Manhattan is home to the NBA's New York Knicks and the NHL's New York Rangers, both of which play their home games at Madison Square Garden.

Queens County

Queens County, also a borough, is the largest borough of New York City in area, and the second most populous county in the state. The population of Queens County was 2.3 million as of the 2018 OMB update, making it the second largest in population of the five New York City boroughs, behind Kings County. Queens is adjacent to the borough of Brooklyn at the western end of Long Island, with Nassau County to the east. Queens also shares water borders with the boroughs of Manhattan, the Bronx, and Staten Island.

Queens is home to John F. Kennedy International Airport and LaGuardia Airport. Landmarks in Queens include Flushing Meadows-Corona Park, the USTA Billie Jean King Tennis Center, which hosts the U.S. Open, and Citi Field, home to the New York Mets baseball team. Colleges and universities located in Queens County include York College, LaGuardia Community College, Vaughn College of Aeronautics and Engineering, and Queens College.

Richmond County

Richmond County, also known as Staten Island, is located in the southwest portion of Manhattan, and is separated from New Jersey by the Arthur Kill and the Kill Van Kull tidal straights and from the rest of New York by New York Bay. The population of Richmond County was 472 thousand as of the 2018 OMB, making it the least-populated of the boroughs. Motor traffic can reach the borough from Brooklyn via the Verrazzano-Narrows Bridge, and from New Jersey via the Outerbridge Crossing, Goethals Bridge and Bayonne Bridge. The Staten Island Ferry connects the borough to Manhattan across New York Harbor.

The island is home to the Staten Island Zoo and the National Lighthouse Museum, and includes thousands of acres of local, state, and federal park land. College and universities located in Staten Island include The College of Staten Island, Wagner College, and St. John's University.

Westchester County

Westchester County is the second-most populous county on the mainland of New York, after the Bronx. According to 2018 OMB data, the county had a population of 967 thousand. The county is positioned with New York City, plus Nassau and Suffolk counties (on Long Island, across Long Island Sound), to its south; Putnam County to its north; Fairfield County, Connecticut to its east; and Rockland County and Bergen County, New Jersey across the Hudson River to the west. Situated in the Hudson Valley, Westchester covers an area of 450 square miles, consisting of six cities, 19 towns, and 23 villages. Of the counties in the New York, NY assessment area, Westchester has the highest median family income level, measuring $108,108 at the 2018 OMB update.

Due to its proximity to New York City, many Fortune 500 companies are headquartered in Westchester county, including MasterCard, PepsiCo, IBM, and ITT Corporation. Westchester county contains many colleges and universities including, Berkeley College, Iona College, Pace University, and New York Medical College.

Seasonally unadjusted unemployment rates for each county in the assessment area, according to the U.S. Department of Labor, Bureau of Labor Statistics, are presented in the following table. The COVID-19 pandemic significantly impacted the assessment area's unemployment rates in 2020, with rates exceeding both state and national averages in all but Westchester County. Unemployment rates in 2021 dropped overall, but rates once again exceeded state and national average in all of the assessment area's counties except for Westchester County. Unemployment rates were highest in Bronx County, and lowest in Westchester County in both years.

Customers Bank New York, NY Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)		
Location	% 2020	% 2021
Bronx County	16.2	13.6
Kings County	12.6	10.1
New York County	9.6	7.6
Queens County	12.6	9.6
Richmond County	10.6	8.7
Westchester County	8.0	4.8
New York-Newark-Jersey City, NY-NJ-PA MSA	10.3	7.3
State of New York	9.8	7.0
United States	8.1	5.3

Housing

According to 2018 OMB data, the New York, NY assessment area contained nearly 3.8 million housing units, 32% of which were owner-occupied, 59% of which were rental units, and almost 9% of which were vacant. The overall owner-occupancy rate in the assessment area (32%) was well below the rate in the State of New York (48%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for home-mortgage credit within such census tracts. According to 2018 OMB data, 3% of owner-occupied units were located in low-income census tracts, just under 15% were in moderate-income tracts, 29% were in middle-income tracts, and 53% were in upper-income tracts.

Further, 2018 OMB data shows that single-family units comprised 19% of the assessment area's housing units, while two-to-four family units comprised 23% of the housing, multifamily units consisting of five or more units accounted for 58% of housing units, and less than 1% of units were mobile homes. The median age of housing stock was 61 years, making it slightly older than the housing stock in the State of New York (59 years).

Median housing value in the New York, NY assessment area was $496,392, which was significantly higher than the median value in the State of New York ($283,400). Housing values in low-, moderate-, and middle-income areas were fairly consistent, though a significant jump was evident in median housing values in upper-income areas. More specifically, the median housing value in the assessment area's low-income tracts was $439,667, $444,936 in moderate-income tracts, $436,901 in middle-income tracts, and $578,204 in upper-income tracts.

Finally, median gross rent (rent plus utilities) was more expensive in the assessment area than in New York State. Specifically, median gross rent in the New York, NY assessment area was $1,263 compared to that of New York ($1,132). Within the assessment area, 51% of renters spent more than 30% of their income on rent, which was on-par with the figure in New York as a whole (51%).

Borrower Income Data

The percentage of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. The 2018 OMB shows that there were just over 2.1 million families in the assessment area. Of the total families in the assessment area, 29% were designated as low-income, 15% were moderate-income, 15% were middle-income, and 41% were upper-income. Of all families in the assessment area, 16% were living below the poverty line, compared with a rate of 12% for the State of New York.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon the HUD annually-adjusted median family income data made available by the FFIEC. Median family incomes for the bank's New York, NY assessment area are listed in the following table for each of the years covered by the evaluation, and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income (120% or Greater)
2020	$81,800	Less than $40,900	$40,900 - $65,439	$65,440 – 98,159	$98,160 or more
2021	$85,500	Less than $42,750	$42,750 - $68,399	$68,400 - $102,599	$102,600 or more

Geographic Business Data

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. Dun & Bradstreet reports business demographics annually. According to Dun & Bradstreet data, in 2020, there were 425,102 businesses in the assessment area. Of these businesses, 7% were located in low-income tracts, 18% were located in moderate-income tracts, 19% in middle-income tracts, and 53% in upper-income tracts. Nearly 3% of businesses were located in tracts of unknown income levels. Business demographic data also revealed that of the 425,102 businesses located in the assessment area, 90% were small businesses with gross annual revenues of $1 million or less.

In 2021, there were 418,407 businesses in the assessment area. Of these businesses, 7% were located in low-income tracts, over 18% were located in moderate-income tracts, 19% in middle-income tracts, over 52% in upper-income tracts, and 3% in tracts of unknown income. Of the 418,407 businesses in the assessment area, 91% were small businesses with gross annual revenues of $1 million or less.

Assessment area demographics used in evaluating Customers' performance in the New York, NY assessment area in 2020 and 2021 are detailed in the tables on the following pages.

Customers Bank New York, NY Assessment Area Assessment Area Demographics 2020								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	296	12.4	319,593	15.2	124,570	39.0	604,745	28.8
Moderate-income	596	24.9	556,889	26.5	122,023	21.9	321,099	15.3
Middle-income	682	28.5	540,997	25.7	63,451	11.7	323,844	15.4
Upper-income	745	31.2	683,043	32.5	31,683	4.6	853,255	40.5
Unknown-income	71	3.0	2,421	0.1	299	12.4	0	0.0
Total Assessment Area	**2,390**	**100.0**	**2,102,943**	**100.0**	**342,026**	**16.3**	**2,102,943**	**100.0**

	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	518,656	36,282	3.0	7.0	447,161	86.2	35,213	6.8
Moderate-income	955,637	173,660	14.5	18.2	701,778	73.4	80,199	8.4
Middle-income	914,159	349,102	29.1	38.2	491,735	53.8	73,322	8.0
Upper-income	1,394,500	640,544	53.3	45.9	606,966	43.5	146,990	10.5
Unknown-income	9,305	1,957	0.1	21.0	6,216	66.8	1,132	12.2
Total Assessment Area	**3,792,257**	**1,201,545**	**100.0**	**31.7**	**2,253,856**	**59.4**	**336,856**	**8.9**

	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	30,771	7.2	28,632	7.4	1,914	5.1	225	6.9
Moderate-income	77,521	18.2	72,534	18.9	4,527	12.1	460	14.0
Middle-income	81,665	19.2	76,364	19.9	4,767	12.7	534	16.3
Upper-income	224,081	52.7	198,597	51.7	23,550	62.9	1,934	59.0
Unknown-income	11,064	2.7	8,242	2.1	2,699	7.2	123	3.7
Total Assessment Area	**425,102**	**100.0**	**384,369**	**100.0**	**37,457**	**100.0**	**3,276**	**100.0**
	Percentage of Total Businesses:		**90.4**		**8.8**			**0.8**

	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	77	7.3	74	7.2	3	10.3	0	0.0
Moderate-income	170	16.1	166	16.2	4	13.8	0	0.0
Middle-income	157	14.9	151	14.7	6	20.7	0	0.0
Upper-income	628	59.6	613	59.9	14	48.3	1	100.0
Unknown-income	22	2.1	20	2.0	2	6.9	0	0.0
Total Assessment Area	**1,054**	**100.0**	**1,024**	**100.0**	**29**	**100.0**	**1**	**100.0**
	Percentage of Total Farms:		**97.2**		**2.8**			**0.1**

2018 OMB Data and 2020 D&B Information

Customers Bank New York, NY Assessment Area Assessment Area Demographics 2021								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	296	12.4	319,593	15.2	124,570	39.0	604,745	28.8
Moderate-income	596	24.9	556,889	26.5	122,023	21.9	321,099	15.3
Middle-income	682	28.5	540,997	25.7	63,451	11.7	323,844	15.4
Upper-income	745	31.2	683,043	32.5	31,683	4.6	853,255	40.5
Unknown-income	71	3.0	2,421	0.1	299	12.4	0	0.0
Total Assessment Area	**2,390**	**100.0**	**2,102,943**	**100.0**	**342,026**	**16.3**	**2,102,943**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	518,656	36,282	3.0	7.0	447,161	86.2	35,213	6.8
Moderate-income	955,637	173,660	14.5	18.2	701,778	73.4	80,199	8.4
Middle-income	914,159	349,102	29.1	38.2	491,735	53.8	73,322	8.0
Upper-income	1,394,500	640,544	53.3	45.9	606,966	43.5	146,990	10.5
Unknown-income	9,305	1,957	0.1	21.0	6,216	66.8	1,132	12.2
Total Assessment Area	**3,792,257**	**1,201,545**	**100.0**	**31.7**	**2,253,856**	**59.4**	**336,856**	**8.9**
	Total Businesses by Tract	**Businesses by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low-income	30,614	7.3	28,582	7.5	1,842	5.1	190	6.0
Moderate-income	76,825	18.4	72,050	19.0	4,366	12.0	409	13.0
Middle-income	80,863	19.3	75,787	20.0	4,564	12.6	512	16.2
Upper-income	219,086	52.4	194,240	51.3	22,917	63.1	1,929	61.1
Unknown-income	11,019	2.6	8,275	2.2	2,627	7.2	117	3.7
Total Assessment Area	**418,407**	**100.0**	**378,934**	**100.0**	**36,316**	**100.0**	**3,157**	**100.0**
	Percentage of Total Businesses:		**90.6**			**8.7**		**0.8**
	Total Farms by Tract	**Farms by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	%	#	%	#	%	#	%
Low-income	72	7.2	69	7.1	3	11.1	0	0.0
Moderate-income	166	16.6	162	16.7	4	14.8	0	0.0
Middle-income	151	15.1	146	15.1	5	18.5	0	0.0
Upper-income	588	58.9	573	59.1	14	51.9	1	100.0
Unknown-income	21	2.2	20	2.0	1	3.7	0	0.0
Total Assessment Area	**998**	**100.0**	**970**	**100.0**	**27**	**100.0**	**1**	**100.0**
	Percentage of Total Farms:		**97.2**			**2.7**		**0.1**

2018 OMB Data and 2021 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of all sizes, including small businesses;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

It is noted that due to low HMDA loan volume in 2020 (only three HMDA loans were made in 2020), neither borrower nor geographic distribution analyses were performed for HMDA loans in this year, as the available data would not be sufficient to provide a conclusion on the bank's performance. Additionally, due to high levels of HMDA loans originated in 2021 to borrowers of unknown income (98% of loans by number, and nearly 100% of loans by dollar amount), HMDA loans were not included in the borrower distribution lending analysis for that year. According to FFIEC HMDA reporting requirements, borrower income is reported as "N/A" when the applicant is not a natural person, or when the application is secured by a multifamily dwelling. As a result, borrower income was not reported for these multifamily loans. Given the significant amount of such loans, borrower distribution analysis would be severely skewed, and would not provide a meaningful data set on which to draw conclusions on the bank's performance.

Performance under the lending test is rated outstanding in the New York, NY assessment area.

Lending Activity

Customers' lending levels in the New York, NY assessment area reflect excellent responsiveness to the assessment area's credit needs. During the evaluation period, lending activity in the New York, NY assessment area represented 78% of the bank's overall lending by number of loans, and 62% by dollar volume. During the evaluation period, Customers made 46 HMDA loans totaling just under $270 million, and 25,685 small business loans totaling $634 million in the New York, NY assessment area. The vast majority of the bank's small business loans consisted of loans made under the PPP. Of the bank's total small business lending during the evaluation period, only two loans totaling $1 million were made to businesses with reported revenues of $1 million or less.

Geographic Distribution of Loans

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. The overall analysis reflects excellent penetration throughout the New York, NY assessment area, including low- and moderate-income tracts.

It is noted that geographic distribution was given greater weight in determining conclusions due to a high percentage of loans to non-natural persons, resulting in most of the bank's HMDA loans being reported to borrowers of unknown income. Because geographic distribution is given more weight in the retail lending analysis in the New York, NY assessment area, its discussion precedes borrower distribution in this assessment area. Additionally, CRA small business loans were given greater weight in determining the geographic distribution conclusion, given their higher volume by number and dollar amount, followed by HMDA loans.

Small Business Lending

The geographic distribution of Customers' small business loans reflects excellent penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. According to Dun & Bradstreet business data, in 2020, 425,102 businesses were located in the assessment area. Of these businesses, 7% were located in low-income tracts, 18% were located in moderate-income tracts, 19% were located in middle-income tracts, and 3% were located in tracts of unknown income. The majority of businesses were located in upper-income tracts (53%). In 2021, a total of 418,407 businesses were located in the assessment area. Of these, 7% were located in low-income tracts, 18% were located in moderate-income tracts, 19% were located in middle-income tracts, and 3% were located in tracts of unknown income. Again, the majority of businesses were located in upper-income tracts (over 52%).

The tables below present Customers' small business geographic distribution, in comparison to the applicable business proxy and aggregate lending levels in the assessment area for the years evaluated.

Customers Bank New York, NY Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	**% Businesses by Tract Income Level (2020 D & B Data)**	**Aggregate Comparison**	
		2020	
		% Customers' Lending	**% Aggregate Lending**
Low	7.2	9.8	7.8
Moderate	18.2	20.9	18.4
Middle	19.2	19.8	19.4
Upper	52.7	47.5	51.8
Unknown	2.7	2.0	2.5
Tract Unknown	0.0	0.0	0.1
Total	**100.0**	**100.0**	**100.0**

Customers Bank New York, NY Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2021 D & B Data)	Aggregate Comparison	
		2021	
		% Customers' Lending	% Aggregate Lending
Low	7.3	12.9	8.3
Moderate	18.4	32.1	20.5
Middle	19.3	29.5	21.6
Upper	52.4	24.9	47.2
Unknown	2.6	0.6	2.3
Tract Unknown	0.0	0.0	0.1
Total	**100.0**	**100.0**	**100.0**

Lending in Low-Income Census Tracts

Customers' small business lending in low-income tracts was excellent.

In 2020, the geographic distribution of the bank's small business lending in low-income census tracts was excellent. Customers originated 10% of its small business loans (381 loans) in the assessment area's low-income census tracts. The bank's lending level was above both the applicable business loan demand proxy of 7%, and the aggregate small business lending level of 8%.

In 2021, the geographic distribution of the bank's small business lending in low-income census tracts was excellent. Customers originated 13% of its small business loans (2,806 loans) in the assessment area's low-income census tracts. The bank's lending level was above both the applicable business loan demand proxy of 7%, and the aggregate small business lending level of 8%.

Lending in Moderate-Income Census Tracts

Customers' small business lending in moderate-income tracts was excellent.

In 2020, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers originated 21% of its small business loans (809 loans) in the assessment area's moderate-income census tracts. The bank's lending level was above both the applicable business loan demand proxy of 18%, and the aggregate small business lending level of 18%.

In 2021, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers originated 32% of its small business loans (7,008 loans) in the assessment area's moderate-income census tracts. The bank's lending level was well above both the applicable business loan demand proxy of 18%, and the aggregate small business lending level of 21%.

Home-Mortgage Lending

Customers' distribution of home-mortgage loans among geographies of different income levels, including low- and moderate-income census tracts is excellent. As noted previously, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage credit within such tracts, Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand for home-mortgage credit is in the tract.

According to 2018 OMB data, 3% of the assessment area's owner-occupied housing stock was located in low-income census tracts, and 15% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle- and upper-income tracts (29% and 53%, respectively).

The following tables present Customers' geographic distribution of HMDA loans from 2020 to 2021, in comparison to the applicable owner-occupied housing proxies and the aggregate lending levels in the assessment area. The tables rely on 2018 OMB data, along with updated HMDA data, following the requirements of Regulation C.

Customers Bank New York, NY Assessment Area Geographic Distribution of HMDA Loans			
Census Tract Income Level	% Owner-Occupied Units (2018 OMB Data)	Aggregate Comparison	
		2020	
		% Customers' Lending	% Aggregate Lending
Low	3.0	0.0	3.8
Moderate	14.5	33.3	13.8
Middle	29.1	33.3	25.3
Upper	53.3	33.4	57.0
Unknown	0.1	0.0	0.1
Total	**100.0**	**100.0**	**100.0**

Customers Bank New York, NY Assessment Area Geographic Distribution of HMDA Loans			
Census Tract Income Level	% Owner-Occupied Units (2018 OMB Data)	Aggregate Comparison	
		2021	
		% Customers' Lending	% Aggregate Lending
Low	3.0	7.0	3.9
Moderate	14.5	34.9	14.6
Middle	29.1	20.9	25.1
Upper	53.3	37.2	56.2
Unknown	0.1	0.0	0.1
Total	**100.0**	**100.0**	**100.0**

Lending in Low-Income Census Tracts

For the period under review Customers' overall HMDA lending in low-income tracts was considered excellent.

As stated above, Customers' lending in low-income census tracts in 2020 was not evaluated due to low volumes (only three HMDA loans were originated).

In 2021, Customers' lending in low-income census tracts in 2021 was excellent. Customers originated 7% of HMDA loans (three loans) in low-income tracts in 2021, which was above the level of both the proxy of 3%, and the aggregate lending level of 4%. Categorized by loan product type, Customers made 9% of its multifamily loans (three loans), and no home purchase loans, refinance loans, home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in low-income tracts in 2021. Aggregate 2021 lending data show that 3% of home purchase loans, 4% of refinance loans, 3% of home improvement loans, 16% of multifamily loans, 3% of other purpose lines of credit, 4% of other purpose closed/exempt loans, and 6% of loans with purpose "not applicable" were made in low-income tracts in the assessment area.

Lending in Moderate-Income Census Tracts

For the period under review, the bank's HMDA lending in moderate-income tracts was considered excellent.

As mentioned above, Customers' lending in moderate-income census tracts in 2020 was not evaluated due to low volumes.

In 2021, Customers' HMDA lending in moderate-income tracts was excellent. Customers originated 35% of HMDA loans (15 loans) in moderate-income tracts in 2021, which more than doubled the proxy of owner-occupied housing in moderate-income tracts, and the aggregate performance (both 15%). Categorized by loan product type, Customers made 17% of its home purchase loans, 44% of its multifamily loans, and no refinance loans, home improvement loans, other purpose lines of credit, other purpose closed/exempt loans, or loans with purpose "not applicable" in moderate-income tracts in 2021. Aggregate lending data shows that 14% of home purchase loans, 14% of refinance loans, 12% of home improvement loans, 34% of multifamily loans, 11% of other purpose lines of credit, 12% of other purpose closed/exempt loans, and 20% of loans with purpose "not applicable" were made in moderate-income tracts in the assessment area in 2021.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered, excellent penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes, including small businesses.

As detailed above, borrower distribution for Customers' HMDA loans was not evaluated for the New York, NY assessment area due to low volumes in 2020, and a high percentage of loans made to borrowers of unknown income in 2021. Therefore, borrower distribution is given less weight than geographic distribution in this assessment area in driving lending performance.

Small Business Lending

An analysis of Customers' borrower distribution of small business loans reflects excellent penetration among businesses of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of $1 million or less, namely small businesses.

The number of businesses operating in the bank's New York, NY assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available Dun & Bradstreet business demographic data, in 2020 there were 425,102 businesses in the assessment area, with 90% designated as small businesses. In 2021, there were 418,407 businesses in the assessment area, 91% of which were small businesses.

In 2020, the bank's borrower distribution of small business loans was excellent, considering performance context factors. In 2020, Customers originated 3,880 small business loans within the assessment area, aggregating over $210 million. Of these loans, less than 1% were originated to small businesses (one loan). Notably, nearly 100% of the bank's small business loan originations (3,878 loans) were to businesses with unknown revenues. This is attributable to the bank's participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP)[21]. Under this program, institutions were not required to collect revenue information. The COVID-19 pandemic was an unprecedented global event that impacted businesses of all sizes, most notably smaller businesses that typically do not have an excess of capital to weather long periods of closure and slashed revenues. Customers' significant participation in this program is considered in the evaluation of its borrower distribution of lending.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was significantly below the aggregate lending level of 35% to small businesses and the proxy of 90%. However, when considering the bank's PPP lending, which is reasonably inferred to be supportive of small businesses in need for capital, the bank's performance is considered to be good.

Small business loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, and thus added weight is given to such loans in determining whether an institution is meeting the credit needs of small businesses. In 2020, 87% of Customers' small business loans were extended in amounts of $100 thousand or less. Aggregate data indicates that 89% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

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[21] In April 2020, the PPP was established by the CARES Act, and implemented by the SBA (Federal Register 13 CFR Part 120). The PPP program provided small businesses with funds to pay up to eight weeks of payroll costs, including benefits. Funds could also be used to pay interest on mortgages, rent, and utilities.

In 2021, the bank's borrower distribution of small business loans was excellent, again, considering performance context factors. In 2021, Customers originated 21,805 small business loans within the assessment area, aggregating just under $424 million. Of these loans, less than 1% were originated to small businesses (one loan). As noted above, Customers' participation in the PPP significantly impacted the bank's small business loan data. Nearly 100% of the bank's small business loan originations (21,801 loans) were to businesses with unknown revenues, and it is reasonably inferred that these originations were to benefit small businesses impacted by the COVID-19 pandemic.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was significantly below the aggregate lending level of 36% to small businesses and the proxy of 91%. When considering the bank's PPP lending, the bank's performance was once again considered to be good.

In 2021, 98% of Customers' small business loans were extended in amounts of $100 thousand or less. Aggregate data indicates that 93% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

Responsiveness to Credit Needs

Customers exhibits an adequate record of serving the credit needs of low- and moderate-income borrowers and areas, and very small businesses, consistent with safe and sound banking practices.

The bank achieved this record through its retail lending, and to a lesser degree, through community development lending. Community contacts identified affordable housing as the biggest need within the New York, NY assessment area, and also noted a lack of affordable small business loans, given the current interest rate environment.

As indicated below, approximately $91.5 million of the bank's community development loans (98%) benefitted affordable housing. Further, Customers was an active participant in the SBA PPP, having funded 25,679 PPP loans over the evaluation period, totaling almost $631 million. The funding of these PPP loans demonstrates responsiveness to the needs of small businesses affected by the COVID-19 pandemic. Two of the bank's PPP loans, totaling nearly $2.3 million were included in the bank's community development lending totals, and are discussed below.

Innovative and/or Flexible Lending Practices

Customers makes limited use of innovative and/or flexible lending practices in serving the New York, NY assessment area credit needs. Though the bank utilizes a number of different programs to make home-mortgage loans to low- and moderate-income borrowers, no loans were originated through these programs during the evaluation period. However, the bank did make limited use of innovative and/or flexible lending practices to provide small business loans during the evaluation period.

To address the credit needs of small businesses in its assessment area, Customers participates in several SBA loan programs, and is a preferred lender under the SBA. During the evaluation period, Customers made a total of eight SBA 7a loans totaling over $7.4 million, which financed small businesses in the New York, NY assessment area.

Community Development Lending

Customers makes an adequate level of community development loans in the assessment area. During the period evaluated, which included the timeframe between November 3, 2020 through April 10, 2023, the bank made 11 community development loans in the assessment area, totaling $93.8 million. Customers' community development lending showed a substantial decrease from the previous examination when community development loans totaled $876 million (136 loans).[22] This decrease was mainly due to a substantial decrease in multifamily loans from the prior evaluation period. Of the bank's total community development lending by dollar volume, 68% was within the New York, NY assessment area, and were originated under the PPP[23].

Nine of the 11 loans, totaling $91.5 million (98%) supported affordable housing initiatives for low- and moderate-income individuals. Two loans totaling nearly $2.3 million (2%) supported revitalization/stabilization efforts in distressed and underserved areas within the bank's New York, NY assessment area.

The following table includes the bank's community development loans, broken out by community development purpose.

	Customers Bank Community Development Lending New York, NY Assessment Area									
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
2020	0	0	0	0	0	0	0	0	0	0
2021	5	20,110	0	0	0	0	2	2,285	7	22,395
2022	4	71,401	0	0	0	0	0	0	4	71,401
TOTAL	9	91,511	0	0	0	0	2	2,285	11	93,796

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment, deposit, membership share, or grant, including a donation or in-kind contribution of property, that has as its primary purpose, community development.

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[22] The length of the prior evaluation period (approximately 55 months) was roughly double the length of the time period reviewed compared to this evaluation (approximately 29 months). Therefore, the amount of the decrease in community development loans is less per time period than the overall numbers might indicate.

[23] PPP loans, which qualify as community development loans, are defined as loans with amounts over $1 million that are located in low- or moderate-income census tracts.

Performance under the investment test is assessed as low satisfactory.

Volume of Investment and Grant Activity

Customers has an adequate level of qualified community development investments and grants, rarely in a leadership position. Qualified investments, grants, and donations for the New York, NY assessment area totaled $4.1 million, which is below the investment level of $12.3 million at the prior examination.[24] Of the bank's overall investments, 12% were within the New York, NY assessment area.

Investments and donations totaling almost $2.5 million supported affordable housing initiatives (60%), $198 thousand (5%) supported the provision of community development services, almost $1.4 million (34%) supported economic development in the assessment area, and $50 thousand (1%) supported revitalization/stabilization initiatives in the assessment area.

Of the nearly $3.8 million in qualified investments in the New York, NY assessment area, $2.4 million (64%) were comprised of low-income housing tax credits and funds invested primarily in mortgage-backed securities and commercial mortgage-backed securities that support affordable housing, and over $1.3 million were investments made in small business investment companies that provide economic development to the assessment area (36%).

The bank also made numerous donations and grants totaling $308 thousand to local organizations that routinely provide community development services in the assessment area. Of the total dollar amount, $50 thousand supported affordable housing (16%), $198 thousand was to organizations that provide community services to low- and moderate-income individuals (64%), $10 thousand supported economic development (3%), and $50 thousand supported revitalization/stabilization efforts in the assessment area (16%).

The following table presents the investment and grant activity for the New York, NY assessment area.

Customers Bank New York, NY Assessment Area Qualified Investments										
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
Qualified Investments	2	2,415	0	0	2	1,379	0	0	4	3,794
Donations	2	50	9	179	1	10	2	50	14	289
In-Kind Donations	0	0	2	19	0	0	0	0	2	19
TOTAL	4	2,465	11	198	3	1,389	2	50	20	4,102

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[24]The length of the prior evaluation period (approximately 55 months) was roughly double the length of the time period reviewed compared to this evaluation (approximately 29 months). Therefore, the amount of the decrease in investments is less per time period than the overall numbers might indicate.

Responsiveness to Credit and Community Development Needs

Customers exhibits good responsiveness to credit and community development needs of the assessment area. Community contacts identified affordable housing as the most pronounced community need in the New York, NY assessment area. As noted above, 60% of the bank's investment and donation dollars in this assessment area addressed affordable housing needs. Additionally, 34% of investment and donation dollars benefitted small businesses in the area, which was another need noted by contacts.

Community Development Initiatives

Customers makes occasional use of innovative and/or complex investments to support community development initiatives. In the New York, NY assessment area, the bank participated in low-income housing tax credits and investment funds that carried more complexity than simple donations. These projects, centered on affordable housing, represented 64% of investment dollars deployed in this assessment area. Additionally, small business investment company investment projects centered in economic development represented 36% of the investment dollars deployed in this assessment area.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Performance under the service test is assessed as needs to improve in the assessment area.

Accessibility of Delivery Systems

Delivery systems are unreasonably inaccessible to significant portions of the bank's geographies and individuals of different income levels in its assessment areas.

During the review period, Customers operated one full-service branch in the New York, NY assessment area (nearly 17% of all branch locations). Using the 2015 ACS data, the branch was located in an upper-income census tract, adjacent to three moderate-income tracts. The branch is located in Westchester County, which has one of the lowest concentrations of low- and moderate-income census tracts within the assessment area. The location is unreasonably inaccessible to significant portion of the assessment area due to the great lengths it would take to get to Westchester from the rest of the NY assessment, including New York City (Bronx, Kings, New York, Queens, and Richmond Counties).

The following table details the location of the bank's branch with comparison to 2018 OMB population demographics, and indicates that while no branches are located in low- or moderate-income census tracts, 43% of the population is located in those geographies. However, it is notable that the majority of the population (57%) resides in middle- and upper-income tracts.

Customers Bank New York, NY Assessment Area Retail Branch Distribution 2018 OMB Data				
Census Tract Type	**Number of Branches**	**Percent Branches**	**Population**	**Percent of Population**
Low	0	0	1,434,514	15.3
Moderate	0	0	2,574,229	27.4
Middle	0	0	2,361,474	25.1
Upper	1	100.00	2,990,866	31.8
Unknown Income	0	0	32,975	0.4
Totals	**1**	**100.0**	**9,394,058**	**100.0**

In addition to the branch location, Customers also operated an LPO, also located in and upper-income census tract in the assessment area. The LPO is located in downtown Manhattan, and is available by appointment only.

An ATM is available at the branch, which provides electronic access to banking services, including the ability to take deposits. In addition to the bank's own ATM, bank customers can also access over 55,000 fee-free ATMs through the bank's participation in the Allpoint network. A night drop is also available at this location.

To supplement traditional banking services, Customers provides telephone banking, and free online banking services, that are accessible through computers, tablets, and smartphones. Online banking allows customers to view account balances, transfer funds, complete person-to-person transfers, open new accounts and complete online bill pay. Consumers can apply for loan products via the bank's website at http://www.customersbank.com. Finally, customers can complete remote deposits using the smartphone mobile banking application.

Changes in Branch Locations

Customers' record of opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly to low- or moderate-income census tracts or individuals. The bank closed one limited-service branch in the assessment area during the evaluation period. The branch was closed in November 2020, and had been operated in a retirement community within an upper-income tract. The impact of the closing was tempered by the fact that the branch had limited hours, and operated on limited days of the week.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. As mentioned above, the bank's single branch in the assessment area includes an ATM which is equipped with both English and Spanish languages. The branch operates Monday through Friday, with slightly extended hours on Friday.

Bank Products

Customers offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

- Personal Checking, a personal checking account with no minimum balance requirement, no monthly service fee, and unlimited check writing. Mobile Check Deposit, Online Banking, Text Banking, and Bill Pay are free of charge with this account.
- Business Checking, a commercial checking account with a low minimum opening deposit requirement ($50) and no minimum balance requirement. Includes no per-check, deposit, or item fees, and provides for unlimited check writing, and no fee for cash counting service. This account provides greater access to banking services for small businesses.

Community Development Services

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

Over the evaluation period, an officer served on a board of a community development organization supporting underserved entrepreneurs and small businesses in New York City's immigrant communities through affordable credit, financial education, and business education.

STATE OF NEW JERSEY/TRENTON, NJ
ASSESSMENT AREA
FULL-SCOPE REVIEW

STATE RATING

Performance Test	Performance Level
Lending	Low Satisfactory
Investment	Low Satisfactory
Service	Low Satisfactory
Overall	Satisfactory

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following:

- The distribution of borrowers, given the product lines offered by the bank, reflects, excellent penetration among retail customers;
- The geographic distribution of loans reflects excellent penetration throughout the assessment area;
- The bank makes limited use of innovative and/or flexible lending practices;
- The bank makes few, if any, community development loans in the assessment area;
- The bank has an adequate level of qualified community development investments and grants, rarely in a leadership position; and
- The bank provides an adequate level of community development services in its Trenton, NJ assessment area.

SCOPE OF EXAMINATION

For purposes of this CRA evaluation, the state rating is based solely on the bank's performance in the Trenton, NJ assessment area, which was evaluated using full-scope review procedures. Customers operates one branch in the Trenton, NJ assessment area in Hamilton, NJ, and one warehousing lending LPO in Hamilton, NJ.

Customers' New Jersey performance was evaluated for the period of November 3, 2020 through April 10, 2023. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included small business loans and other loans that qualified as community development loans. Due to low HMDA loan volumes (only eight were originated in 2020, and only five were originated in 2021), retail lending analysis was not performed for HMDA loans, as the available data would not have been sufficient to provide a meaningful conclusion on the bank's performance in the Trenton, NJ assessment area. Data on these HMDA loans is included in Appendix D, for contextual purposes. Further, HMDA demographic information provided below is also for contextual purposes.

For purposes of assessing Customers' overall CRA performance, very little weight was given to performance in the state of New Jersey, as the majority of the bank's operations were located in the two Pennsylvania assessment areas and the New York assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

Customers' Trenton, NJ assessment area consists of Mercer County in New Jersey. The assessment area is coterminous with the Trenton-Princeton, NJ, MSA. It is located on the western side of Central New Jersey, separated from the Commonwealth of Pennsylvania to the west by the Delaware River. Trenton, NJ is the county seat.

As indicated previously, for the purposes of assessing Customers' CRA performance overall, the least amount of weight was given to the performance in the Trenton, NJ assessment area, as the overwhelming majority of the bank's operations are located in the Pennsylvania and New York assessment areas. Of the bank's total loans, 1% by number and 2% by dollar volume were originated in the Trenton, NJ assessment area. Customers operates one branch in this assessment area (17% of total branches), which holds $1.6 billion in deposits, or 9% of total deposits as of June 30, 2022. Additionally, one of the bank's warehouse lending LPOs is located in the Trenton, NJ assessment area.

Customers' CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

According to 2015 ACS data, the Trenton, NJ assessment area consisted of 77 census tracts. Eighteen (23%) tracts were designated as low-income, 15 (20%) were moderate-income, 19 (25%) were middle-income, 24 (31%) were upper-income, and one (1%) was an unknown-income tract. The assessment area's population was 370,212, with 34% of the population residing in low- or moderate-income tracts.

A map of the assessment area the time of the 2015 ACS is available in Appendix F.

According to the FDIC's Deposit Market Share Report, as of June 30, 2022, there were 23 depository institutions operating in the bank's Trenton, NJ assessment area. These institutions maintained a total of 118 branches holding almost $24.4 billion in deposits. Customers, with one branch in the assessment area, ranked fifth with $1.6 billion, or nearly 7% of the deposit market. Bank of America, N.A. ranked first with 26% of the deposit market, followed by PNC Bank, N.A. with 17% of deposits, and Wells Fargo Bank, N.A. with 15% of total deposits within the market. Notably, the top four banks in the assessment area are large national banks, which together control 64% of the deposit market.

Customers reports home-mortgage loans pursuant to HMDA and was compared to all lenders in the market reporting real estate loans pursuant to HMDA. This data is reported annually. In 2020, a total of 438 institutions reported 14,916 HMDA loan originations and purchases within the assessment area. Customers tied for eightieth in the HMDA market with less than 1% of total originations and purchases. Wells Fargo Bank, N.A. ranked first in the HMDA market with almost 10% of total HMDA originations and purchases, followed by Quicken Loans, LLC with almost 9% of the HMDA market, and Finance of America Mortgage, LLC, with just under 5% market share.

The 2021 aggregate HMDA data showed an 11% increase in overall HMDA lending compared to 2020, with 449 lenders originating and purchasing 16,596 home-mortgage loans in the assessment area. Customers tied for ninety-third with less than 1% of the market. Rocket Mortgage, LLC led the market with almost 9% of the market share, followed by Wells Fargo Bank, N.A. with 6%, and Finance America Mortgage, LLC with 4% market share.

Similarly, the institution reports its small business loans pursuant to the CRA and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2020 data, there were 140 CRA reporters in the assessment area, originating or purchasing a total of 10,699 small business and small farm loans. Customers ranked seventeenth with just over 1% of the market. American Express, N.B. ranked first with just over 16% of all small business and small farm loan originations and purchases, followed by Bank of America, N.A. with almost 11% of the market, and PNC Bank, N.A. with 9% market share.

In 2021, there were 131 CRA reporters originating and purchasing 11,443 small business and small farm loans. Customers rose to tenth place with 2% of the market share. American Express, N.B. led the market with 20% market share, followed by Bank of America, N.A. with 12% of the market's total small business and small farm loan originations and purchases, and JP Morgan Chase Bank, N.A. with 11% market share.

Since CRA data reporting includes small business loans issued under corporate credit card arrangements, some of the top reporters in the assessment area are national credit card originators. For instance, in 2021, American Express, N.B., Bank of America, N.A., JPMorgan Chase Bank, N.A., PNC Bank, N.A., and Wells Fargo Bank, N.A. were the top five lenders, collectively holding over 55% of the total small business and small farm loan originations and purchases in the assessment area.

To supplement economic, demographic, and performance data, interviews were conducted with two local community organizations, which provided perspective on the credit and community development needs of the Trenton, NJ assessment area. One interview was held with a county government office supporting economic development throughout the county, and the other interview was held with a housing agency in the city of Trenton, NJ.

The community contacts identified affordable housing for low- and moderate-income borrowers, and property renovation in the form of energy efficiency, weatherization, and accessibility upgrades due to the age of the area's housing stock, as needs in the assessment area. Additionally, contacts noted that business financing is needed, as the city of Trenton focuses on business attraction, retention and expansion to boost the struggling local economy. In terms of community development needs, the contacts noted a need for financial literacy and homebuyer education, as well as utility assistance.

Economic Characteristics

As indicated above, Customers' Trenton, NJ assessment area consists of Mercer County in New Jersey. The assessment area is coterminous with the Trenton-Princeton, NJ, MSA.

According to the Moody's Analytics January 2023 Precis Report, the Trenton-Princeton, NJ MSA is in a recovery cycle, and is moving sideways. The labor market has struggled with weaknesses in office-based industries, along with leisure and hospitality industries, becoming more evident. Further growth of technology jobs has stalled due to high interest rates, but a large reliance on scientific research and development, which is strongly tied to government funding, has helped shield the area from job losses. Healthcare payrolls surged from higher demand due to the area's aging population, and have caused unemployment rates to remain below national figures.

Strengths in the MSA's economy include a highly educated workforce, with a concentration of white-collar and high-tech jobs. The area also boasts lower business costs than the rest of the state, a commuter workforce in proximity to nearby New York City, and above average housing affordability. However, weaknesses in the area's economy include weak migration and declining population trends, along with high risk due to exposure to New Jersey's state finances. It is noteworthy that poor demographic trends stifle growth in government finances. Movers from expensive surrounding metro areas including Newark, NJ and New York City have not been enough to offset the population loss from retirees moving to warmer lower-cost areas in the South and more affordable areas in the Northeast.

Leading employment sectors include government (27%), professional and business services (18%), and educational and health services (18%). Top employers in the assessment area include Bank of America, Princeton University, Bristol-Myers Squibb, Capital Health System, and New Jersey Manufacturers Insurance.

Seasonally unadjusted unemployment rates for the assessment area, according to the U.S. Department of Labor, Bureau of Labor Statistics, are presented in the following table. The COVID-19 pandemic impacted the assessment area's unemployment rates in 2020, though rates in the assessment area were below both the national and state averages. Unemployment rates in 2021 dropped overall, with Mercer County's rate remaining below both the national average and the average in the State of New Jersey as a whole.

Customers Bank Trenton, NJ Assessment Area Unemployment Rates (Annual, Not Seasonally Adjusted)		
Location	% 2020	% 2021
Mercer County/Trenton-Princeton, NJ MSA	7.2	5.2
State of New Jersey	9.4	6.6
United States	8.1	5.3

Housing

According to 2015 ACS data, the Trenton, NJ assessment area contained 143,833 housing units, over 58% of which were owner-occupied, 32% of which were rental units, and 9% of which were vacant. The overall owner-occupancy rate in the assessment area (58%) was slightly above the rate in the State of New Jersey (57%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending within such census tracts. According to 2015 ACS data, of the 84,045 owner-occupied housing units in the Trenton, NJ assessment area, 7% were located in low-income census tracts, and 17% were in moderate-income tracts. The majority of owner-occupied units were located in middle-income tracts (32%), and in upper-income tracts (44%).

Further, 2015 ACS data shows that single-family units comprised 70% of the assessment area's existing housing units, while two-to-four family units comprised just under 10% of the housing, multifamily units, consisting of five or more units, accounted for 20% of housing units, and less than 1% of units were mobile homes. The median age of housing stock was 57 years, making it older than the housing stock in the State of New Jersey (49 years).

Data shows that the price of housing in the assessment area was more affordable that in the State of New Jersey as a whole. 2015 ACS data shows that the median housing value in the Trenton, NJ assessment area was $276,505, which is below the median value in the State of New Jersey ($315,900). Further, there was a significant disparity between the median housing value in low- and moderate-income income tracts compared to middle- and upper-income census tracts within the assessment area. Specifically, median housing value in the assessment area's low-income tracts was $95,251, and this increased to $170,414 in moderate-income tracts. Both figures were significantly lower than the values in middle-income tracts ($252,628), and in upper-income tracts ($432,784).

Finally, median gross rent (rent plus utilities) in the assessment area was on-par with that in the State of New Jersey. Specifically, median gross rent in the Trenton, NJ assessment area was $1,132 and $1,192 in the State of New Jersey. Within the assessment area, 50% of renters spent more than 30% of their income on rent, which was just below the figure in New Jersey as a whole (51%).

Borrower Income Data

The percentage of low- and moderate-income families in an assessment area are used as proxies to estimate demand for home-mortgage lending. The 2015 ACS shows that there were 88,299 families in the assessment area. Of the total families in the assessment area, 24% were designated as low-income, almost 17% were moderate-income, nearly 19% were middle-income, and 41% were upper-income. Of all families in the assessment area, 8% were living below the poverty line, matching the rate for the State of New Jersey (8%).

For the purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon HUD annually-adjusted median family income data made available by the FFIEC. Median family incomes for the bank's Trenton, NJ assessment area are listed in the following table for each of the years covered by the evaluation, and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD-Adjusted Median Family Income	Low-Income (less than 50%)	Moderate-Income (50% - less than 80%)	Middle-Income (80% - less than 120%)	Upper-Income (120% or Greater)
2020	$108,700	Less than $54,350	$54,350 - $86,959	$86,960 - $130,439	$130,440 or more
2021	$106,800	Less than $53,400	$53,400 - $85,439	$85,440 - $128,159	$128,160 or more

Geographic Business Data

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for business credit within such census tracts. Dun & Bradstreet reports business demographics annually. According to Dun & Bradstreet data, in 2020, there were 17,751 businesses in the assessment area. Of these businesses, almost 9% were located in low-income tracts, and 16% were located in moderate-income tracts. The vast majority of businesses were located in middle-income tracts (32%), and in upper-income tracts (44%). Business demographic data also revealed that of the 17,751 businesses located in the assessment area, 89% were small businesses with gross annual revenues of $1 million or less.

In 2021, there were 17,495 businesses in the assessment area. Of these businesses, almost 9% were located in low-income tracts, and 16% were located in moderate-income tracts. Again, the majority of businesses were located in middle-income tracts (32%), and in upper-income tracts (nearly 44%). Of the 17,495 businesses in the assessment area, 89% were small businesses with gross annual revenues of $1 million or less.

Assessment area demographics used in evaluating Customers' CRA performance in the Trenton, NJ assessment area in 2020 and 2021 are detailed in the tables on the following pages.

Customers Bank Trenton, NJ Assessment Area Assessment Area Demographics 2020									
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	18	23.4	11,991	13.6	3,219	26.8	21,071	23.9
Moderate-income	15	19.5	16,032	18.2	1,938	12.1	14,681	16.6
Middle-income	19	24.7	25,702	29.1	1,159	4.5	16,294	18.5
Upper-income	24	31.2	34,574	39.2	721	2.1	36,253	41.0
Unknown-income	1	1.2	0	0.0	0	0.0	0	0.0
Total Assessment Area	**77**	**100.0**	**88,299**	**100.0**	**7,037**	**8.0**	**88,299**	**100.0**

	Housing Units by Tract	**Housing Types by Tract**							
		Owner-Occupied			**Rental**			**Vacant**	
		#	%	%	#	%	#	%
Low-income	24,294	6,141	7.3	25.3	13,237	54.5	4,916	20.2
Moderate-income	28,499	14,236	16.9	50.0	10,888	38.2	3,375	11.8
Middle-income	41,392	27,113	32.3	65.5	11,581	28.0	2,698	6.5
Upper-income	49,648	36,555	43.5	73.6	10,795	21.7	2,298	4.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**143,833**	**84,045**	**100.0**	**58.4**	**46,501**	**32.3**	**13,287**	**9.2**

	Total Businesses by Tract		**Businesses by Tract & Revenue Size**						
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	1,508	8.5	1,330	8.4	155	9.1	23	12.5
Moderate-income	2,805	15.8	2,524	15.9	236	13.8	45	24.5
Middle-income	5,690	32.1	5,084	32.0	557	32.7	49	26.6
Upper-income	7,748	43.6	6,925	43.7	756	44.4	67	36.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**17,751**	**100.0**	**15,863**	**100.0**	**1,704**	**100.0**	**184**	**100.0**
	Percentage of Total Businesses:		**89.4**			**9.6**		**1.0**

	Total Farms by Tract		**Farms by Tract & Revenue Size**						
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	2	1.8	2	1.8	0	0.0	0	0.0
Moderate-income	5	4.5	5	4.5	0	0.0	0	0.0
Middle-income	28	25.0	28	25.2	0	0.0	0	0.0
Upper-income	77	68.7	76	68.5	1	100.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**112**	**100.0**	**111**	**100.0**	**1**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:		**99.1**			**0.9**		**0.0**

2015 ACS Data and 2020 D&B Information

Customers Bank Trenton, NJ Assessment Area Assessment Area Demographics 2021								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	18	23.4	11,991	13.6	3,219	26.8	21,071	23.9
Moderate-income	15	19.5	16,032	18.2	1,938	12.1	14,681	16.6
Middle-income	19	24.7	25,702	29.1	1,159	4.5	16,294	18.5
Upper-income	24	31.2	34,574	39.2	721	2.1	36,253	41.0
Unknown-income	1	1.2	0	0.0	0	0.0	0	0.0
Total Assessment Area	**77**	**100.0**	**88,299**	**100.0**	**7,037**	**8.0**	**88,299**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	24,294	6,141	7.3	25.3	13,237	54.5	4,916	20.2
Moderate-income	28,499	14,236	16.9	50.0	10,888	38.2	3,375	11.8
Middle-income	41,392	27,113	32.3	65.5	11,581	28.0	2,698	6.5
Upper-income	49,648	36,555	43.5	73.6	10,795	21.7	2,298	4.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**143,833**	**84,045**	**100.0**	**58.4**	**46,501**	**32.3**	**13,287**	**9.2**
	Total Businesses by Tract	**Businesses by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	1,517	8.7	1,348	8.6	148	8.8	21	11.1
Moderate-income	2,804	16.0	2,521	16.1	235	14.0	48	25.3
Middle-income	5,566	31.8	4,976	31.8	536	31.9	54	28.4
Upper-income	7,608	43.5	6,779	43.4	762	45.3	67	35.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**17,495**	**100.0**	**15,624**	**100.0**	**1,681**	**100.0**	**190**	**100.0**
	Percentage of Total Businesses:		**89.3**		**9.6**		**1.1**	
	Total Farms by Tract	**Farms by Tract & Revenue Size**						
		Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**		
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	2	1.9	2	1.9	0	0.0	0	0.0
Moderate-income	5	4.8	5	4.8	0	0.0	0	0.0
Middle-income	25	23.8	25	23.8	0	0.0	0	0.0
Upper-income	73	69.5	73	69.5	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**105**	**100.0**	**105**	**100.0**	**0**	**0.0**	**0**	**0.0**
	Percentage of Total Farms:		**100.0**		**0.0**		**0.0**	

2015 ACS Data and 2021 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses of all sizes, including small businesses;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- and moderate-income individuals and geographies, and very small businesses;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

As noted above, due to low HMDA loan volumes (only eight were originated in 2020, and only five were originated in 2021), neither borrower nor geographic distribution analyses were performed for HMDA loans, as the available data would not be sufficient to provide a meaningful conclusion on the bank's performance in the Trenton, NJ assessment area. As a result, conclusions for both analyses are based solely on the bank's small business lending performance.

Performance under the lending test is rated low satisfactory in the Trenton, NJ assessment area.

Lending Activity

Customers' lending levels in the Trenton, NJ assessment area reflect poor responsiveness to the assessment area's credit needs. During the evaluation period, lending activity in the Trenton, NJ assessment area represented 1% of the bank's overall lending by number of loans, and under 2% by dollar volume. During the evaluation period, Customers made 13 HMDA loans totaling $2.3 million, and 422 small business loans totaling $20.5 million in the Trenton, NJ assessment area. The vast majority of the bank's small business loans consisted of loans made under the PPP. Of the bank's total small business loans during the evaluation period, only five in the amount of less than $2 million were made to businesses with reported revenues of $1 million or less.

Geographic Distribution of Loans

The geographic distribution of loans was analyzed to determine the dispersion of loans among different census tracts within the assessment area. The overall analysis reflects excellent penetration throughout the Trenton, NJ assessment area, including low- and moderate-income tracts.

It is noted that geographic distribution was given greater weight in driving lending performance due to the demographics of the assessment area, and as a result, the analysis of geographic distribution precedes borrower distribution in this assessment area. Further, as mentioned previously, only CRA small business loans were evaluated, as low loan volumes in HMDA loans prevented a meaningful analysis. More specifically, only eight HMDA loans were made by the bank in the assessment area in 2020, and only five were made in 2021.

Small Business Lending

The geographic distribution of Customers' small business loans reflects excellent penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. According to Dun & Bradstreet business data, in 2020, there were 17,751 businesses in the assessment area. Of these businesses, just under 9% were located in low-income tracts, and 16% were located in moderate-income tracts. The vast majority of businesses were located in middle-income tracts (32%), and in upper-income tracts (nearly 44%). In 2021, there were 17,495 businesses in the assessment area. Of these, just under 9% were located in low-income tracts, and 16% were located in moderate-income tracts. Again, the majority of businesses were located in middle-income tracts (32%), and in upper-income tracts (44%).

The tables below present Customers' small business geographic distribution, in comparison to the applicable business proxy and aggregate lending levels in the assessment area for the years evaluated.

Customers Bank Trenton, NJ Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2020 D & B Data)	Aggregate Comparison	
		2020	
		% Customers' Lending	% Aggregate Lending
Low	8.5	5.0	6.0
Moderate	15.8	15.6	15.3
Middle	32.1	36.9	31.2
Upper	43.6	42.5	47.1
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.4
Total	100.0	100.0	100.0

Customers Bank Trenton, NJ Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses by Tract Income Level (2021 D & B Data)	Aggregate Comparison	
		2021	
		% Customers' Lending	% Aggregate Lending
Low	8.7	15.7	6.3
Moderate	16.0	27.0	17.3
Middle	31.8	24.9	29.9
Upper	43.5	32.4	46.2
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.3
Total	100.0	100.0	100.0

Lending in Low-Income Census Tracts

Customers' small business lending in low-income tracts was good.

In 2020, the geographic distribution of the bank's small business lending in low-income census tracts was adequate. Customers originated 5% of its small business loans (seven loans) in the assessment area's low-income census tracts. The bank's lending level was below both the applicable business loan demand proxy of 9%, and the aggregate small business lending level of 6%.

In 2021, the geographic distribution of the bank's small business lending in low-income census tracts was excellent. Customers originated 16% of its small business loans (44 loans) in the assessment area's low-income census tracts. The bank's lending level was significantly above both the applicable business loan demand proxy of 9%, and the aggregate small business lending level of 6%.

Lending in Moderate-Income Census Tracts

Customers' small business lending in moderate-income tracts was excellent.

In 2020, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers originated 16% of its small business loans (22 loans) in the assessment area's moderate-income census tracts. The bank's lending level was on-par with the applicable business loan demand proxy of 16%, and slightly above the aggregate small business lending level of 15%.

In 2021, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. Customers originated 27% of its small business loans (76 loans) in the assessment area's moderate-income census tracts. The bank's lending level was well above both the applicable business loan demand proxy of 16%, and the aggregate small business lending level of 17%.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered, excellent penetration among businesses of different sizes, including small businesses.

As detailed above, Customers' HMDA loans were not evaluated for the Trenton, NJ assessment area due to low loan volumes. As a result, only small business loans were included in the borrower distribution analysis. Also, borrower distribution was given less weight than geographic distribution in this assessment area, as noted previously.

Small Business Lending

An analysis of Customers' borrower distribution of small business loans reflects excellent penetration among business customers of different sizes, including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of $1 million or less, namely small businesses.

The number of businesses operating in the Trenton, NJ assessment area is used as a proxy to estimate demand for business credit in that assessment area. According to available Dun & Bradstreet business demographic data, in 2020 there were 17,751 businesses in the assessment area, with 89% designated as small businesses. In 2021, there were 17,495 businesses in the assessment area, 89% of which were small businesses.

In 2020, the bank's borrower distribution of small business loans was excellent, considering performance context factors. In 2020, Customers originated 141 small business loans within the assessment area, aggregating $9.4 million. Of these loans, less than 1% were originated to small businesses (one loan). Notably, 98% of the bank's small business loan originations (138 loans) were to businesses with unknown revenues. This is attributable to the bank's participation in the SBA PPP[25]. Under this program, institutions were not required to collect revenue information. The COVID-19 pandemic was an unprecedented global event that impacted businesses of all sizes, most notably smaller businesses that typically do not have an excess of capital to weather long periods of closure and slashed revenues. Customers' significant participation in this program is considered in the evaluation of its borrower distribution of lending.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was significantly below the aggregate lending level of 38% to small businesses, and the proxy of 89%. However, when considering the bank's PPP lending, which is reasonably inferred to be supportive of small businesses in need for capital, the bank's performance is considered to be good.

Small business loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, and thus added weight is given to such loans in determining whether an institution is meeting the credit needs of small businesses. In 2020, 81% of Customers' small business loans were extended in amounts of $100 thousand or less. Aggregate data indicates that 88% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

In 2021, the bank's borrower distribution of small business loans was excellent, again, considering performance context factors. In 2021, Customers originated 281 small business loans within the assessment area, aggregating $11 million. Of these loans, just over 1% were originated to small businesses (four loans). As noted above, Customers' participation in the PPP significantly impacted the bank's small business loan data. More specifically, 98% of the bank's small business loan originations (275 loans) were to businesses with unknown revenues, and it is reasonably inferred that these originations were to benefit small businesses impacted by the COVID-19 pandemic.

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[25] In April 2020, the PPP was established by the CARES Act, and implemented by the SBA (Federal Register 13 CFR Part 120). The PPP program provided small businesses with funds to pay up to eight weeks of payroll costs, including benefits. Funds could also be used to pay interest on mortgages, rent, and utilities.

When only considering the bank's loans where revenues were reported as $1 million or less, performance was significantly below the aggregate lending level of 44% to small businesses, and the proxy of 89%. When considering the significant volume of the bank's PPP lending, the bank's performance was once again considered to be good.

In 2021, 92% of Customers' small business loans were extended in amounts of $100 thousand or less. Aggregate data indicates that 91% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

Responsiveness to Credit Needs

Customers exhibits a poor record of serving the credit needs of low- and moderate-income individuals and areas and very small businesses, consistent with safe and sound banking practices.

Community contacts identified affordable housing, economic development through financing loans for small businesses, and revitalization as the biggest needs within the Trenton, NJ assessment area. The bank's performance under this factor is driven by the bank's lack of community development lending, and the very few retail HMDA loans originated in the assessment area during the evaluation period (only eight HMDA loans in 2020, and five in 2021). The bank did demonstrate some responsiveness to the small business needs through its participation in the PPP, and funded 413 PPP loans in the assessment area, totaling $18.2 million. None of these loans were provided community development consideration, as they did not qualify under the revitalization/stabilization criteria.

Innovative and/or Flexible Lending Practices

Customers makes limited use of innovative and/or flexible lending practices in serving the Trenton, NJ assessment area credit needs. Though the bank utilizes a number of different programs to make home-mortgage loans to low- and moderate-income borrowers, and small business loans to small businesses, very few of these loans were made within the Trenton, NJ assessment area during the evaluation period.

Often, the home-mortgage credit needs of low- and moderate-income individuals and families can be addressed more effectively by alternative mortgage products. The bank offers several programs for first-time homebuyers, including first-time homebuyer products through government-backed lending programs such as the FHA and Fannie Mae's HomeReady® Mortgage Program. These programs have income parameters that effectively restrict them to low- and moderate-income borrowers. During the evaluation period, Customers originated one FHA loan totaling just under $175 thousand, and one HomeReady® loan totaling almost $204 thousand.

The bank also makes grants under the Federal Home Loan Bank (FHLB) of Pittsburgh's First Front Door Program, which provides first-time homebuyers with down payment and closing cost assistance, up to $5,000. Customers provides $3 for every eligible dollar the borrower provides towards the down payment or closing costs. During the evaluation period, two first-time homebuyers received grants under this program in the assessment area, totaling $10 thousand.

Community Development Lending

Customers makes few, if any, community development loans in the assessment area. During the period evaluated, which included the timeframe between November 3, 2020 through April 10, 2023, the bank did not make any qualified community development loans in the assessment area. This was a notable decrease from the previous examination, when the bank made four community development loans totaling just over $10 million.[26]

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the responsiveness, innovativeness, and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment, deposit, membership share, or grant, including a donation or in-kind contribution of property, that has as its primary purpose, community development.

Performance under the investment test is assessed as low satisfactory.

Volume of Investment and Grant Activity

Customers has an adequate level of qualified community development investments and grants, rarely in a leadership position. Qualified investments, grants, and donations for the Trenton, NJ assessment area totaled nearly $1.9 million, which is below the investment level of $3.9 million at the prior examination.[27] Of the bank's overall investments, almost 6% were within the Trenton, NJ assessment area.

Investments and donations totaling over $1 million supported affordable housing initiatives (54%) while $850 thousand (46%) supported revitalization/stabilization initiatives in the assessment area, and just over $5 thousand supported community services for low- and moderate-income individuals (less than 1%).

Of the over $1.8 million in qualified investments in the Trenton, NJ assessment area, $1 million (54%) comprised of a fund invested primarily in mortgage-backed securities and commercial mortgage-backed securities that support affordable housing, and $850 thousand was an investment made in New Jersey's Neighborhood Revitalization Tax Credit Program. This program incentivizes businesses through tax credits to invest in New Jersey neighborhoods requiring revitalization. All projects are part of neighborhood plans approved by the State of New Jersey. Customers' investments in this program primarily focused on the city of Trenton, which is where a majority of the assessment area's low- and moderate-income census tracts are located.

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[26] It should be noted that the length of the prior evaluation period (approximately 55 months), was roughly double the length of the time period reviewed compared to this evaluation (approximately 29 months).

[27] The length of the prior evaluation period (approximately 55 months) was roughly double the length of the time period reviewed compared to this evaluation (approximately 29 months). Therefore, the amount of the decrease is less per time period than the overall numbers might indicate.

The bank also made four donations and grants totaling just over $15 thousand to local organizations that routinely provide community development services in the assessment area. Of the total dollar amount, $10 thousand supported affordable housing (almost 66%), and just over $5 thousand was to organizations that provide community services to low- and moderate-income individuals (34%).

The following table presents the investment and grant activity for the Trenton, NJ assessment area.

	Customers Bank Trenton, NJ Assessment Area Qualified Investments									
CD Category	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
Qualified Investments	1	1,000	0	0	0	0	2	850	3	1,850
Donations	2	10	2	5	0	0	0	0	4	15
In-Kind Donations	0	0	0	0	0	0	0	0	0	0
TOTAL	3	1,010	2	5	0	0	2	850	7	1,865

Responsiveness to Credit and Community Development Needs

Customers exhibits adequate responsiveness to credit and community development needs of the assessment area.

Community contacts identified affordable housing, economic development, and revitalization/stabilization as needs in the assessment area. As stated above, 54% of the bank's investment dollars went to affordable housing efforts, and 46% went to revitalization/stabilization efforts.

Community Development Initiatives

Customers makes occasional use of innovative and/or complex investments to support community development initiatives. In the Trenton, NJ assessment area, the bank participated in an investment fund that carried more complexity than simple donations. This investment, centered on affordable housing, represented 54% of investment dollars deployed in this assessment area. Additionally, investments in New Jersey's Revitalization Tax Credit Program, which assisted revitalization/stabilization efforts, represented 46% of the investment dollars deployed in this assessment area.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Performance under the service test is assessed as low satisfactory in the assessment area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in the assessment area.

During the review period, Customers operated one full-service branch in the Trenton, NJ assessment area (nearly 17% of all branch locations). Using the 2015 ACS data, the branch was located in an upper-income census tract, adjacent to a number of the assessment area's moderate-income tracts.

The following table details the locations of the bank's branches with comparison to 2015 ACS population demographics and indicates that no branches were located in low- or moderate-income tracts, where just under 35% of the population resides. However, it is notable that over 65% of the population resides in middle- or upper-income census tracts.

Customers Bank Trenton, NJ Assessment Area Retail Branch Distribution 2015 ACS Data				
Census Tract Type	Number of Branches	Percent Branches	Population	Percent of Population
Low	0	0	56,270	15.2
Moderate	0	0	71,366	19.3
Middle	0	0	103,915	28.1
Upper	1	100.0	137,131	37.0
Unknown Income	0	0	1,530	0.4
Totals	**1**	**100.0**	**370,212**	**100.0**

In addition to the branch location, the bank also operated an LPO, which was located in a middle-income tract in the assessment area.

An ATM is available at the branch, which provides electronic access to banking services. In addition to the bank's own ATM, bank customers can also access over 55,000 fee-free ATMs through the bank's participation in the Allpoint network.

To supplement traditional banking services, Customers provides telephone banking, and free online banking services, that are accessible through computers, tablets, and smartphones. Online banking allows customers to view account balances, transfer funds, complete person-to-person transfers, open new accounts and complete online bill pay. Consumers can apply for loan products via the bank's website at http://www.customersbank.com. Finally, customers can make remote deposits using the smartphone mobile banking application.

Changes in Branch Locations

Customers did not open or close any branches in the Trenton, NJ assessment area during the evaluation period, and therefore this component of the service test was not considered in this assessment area.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. As mentioned above, Customers' single branch in the assessment area includes an ATM which is equipped with both English and Spanish languages. The branch operates Monday through Friday, with slightly extended hours on Friday.

Bank Products

Customers offers products that provide greater access to banking services for low- and moderate-income customers and small businesses, including:

- Interest Checking, a personal checking account with no minimum balance requirement, no monthly service fee, and unlimited check writing. Mobile Check Deposit, Online Banking, Text Banking, and Bill Pay are free of charge with this account.
- Business Checking, a commercial checking account with a low minimum opening deposit requirement ($50) and no minimum balance requirement. Includes no per-check, deposit, or item fees, and provides for unlimited check writing, and no fee for cash counting service. This account provides greater access to banking services for small businesses.

Community Development Services

Customers provides an adequate level of community development services, given its limited presence in this assessment area.

Over the evaluation period, the following community services were provided:

- The Hamilton, NJ branch manager served on the board of Big Brothers Big Sisters of Mercer County, a community service organization that serves at-risk youth in Trenton, NJ and Mercer County.
- The bank's New Jersey regional market executive served on the senior executive committee Rescue Mission of Trenton, an organization that provides essential services to homeless individuals.
- An SVP provided technical assistance to Trenton Business Assistance Corporation, a CDFI operating in Trenton, though its SBA microloan program.

Finally, in an effort to assist CDFIs serving small and very small businesses, Customers provided SBA Deposit Account Control Agreements (DACAs) to one partner CDFI in the Trenton-Princeton, NJ assessment area. DACAs are required in order for a CDFI to secure funding from the SBA. The CDFI is required to establish a Microloan Revolving Fund along with a Loan Loss Reserve Fund deposit account with a financial institution to receive SBA funding and associated matching support. Customers waived the monthly fees associated with the accounts. The accounts offered added leverage and lending capacity when confronted with the direct impacts of the COVID-19 pandemic.

CRA APPENDICES

CRA APPENDIX A: SCOPE OF EXAMINATION TABLE

SCOPE OF EXAMINATION			
Time Period Reviewed			
11/3/2020 – 4/10/2023			
Financial Institution		**Products Reviewed**	
Customers Bank		HMDA	
		Small Business	
Affiliates	**Affiliate Relationship**		**Products Reviewed**
N/A	N/A		N/A
List of Assessment Areas and Types of Examination			
Assessment Area	**Type of Examination**	**Branches Visited**[28]	**Other Information**
Philadelphia, PA Assessment Area	Full-Scope	N/A	N/A
Reading, PA Assessment Area	Full-Scope	N/A	N/A
New York, NY Assessment Area	Full-Scope	N/A	No geographic or borrower distribution of HMDA loans in 2020 due to low loan volume (only three loans were made in 2020). No borrower distribution of HMDA loans in 2021 due to a high percentage of borrowers with unknown income (98% by number and nearly 100% by dollar volume), as a result of multifamily lending, which reports borrower income level as "N/A."
Trenton, NJ Assessment Area	Full-Scope	N/A	No geographic or borrower distribution of HMDA loans due to low loan volume in both years (only eight loans in 2020, and five loans in 2021).

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[28]No branch visits were performed in accordance with the scoping process for this evaluation. The institution's CRA Public File was reviewed electronically.

CRA APPENDIX B: SUMMARY OF STATE RATINGS

State Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Commonwealth of Pennsylvania	Outstanding	Low Satisfactory	Low Satisfactory	Satisfactory
State of New York	Outstanding	Low Satisfactory	Needs to Improve	Satisfactory
State of New Jersey	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

CRA 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 or 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 its 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.
(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 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 gross annual revenues of $1 million or less; or
(4) 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 revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and 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 refinancing 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 percent 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 percent of the area median income, or a median family income that is less than 50 percent, 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 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, 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 examination. 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 Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 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 preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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

CRA APPENDIX D: HMDA LOAN DISTRIBUTION TABLES

2020 HMDA LOAN DISTRIBUTION TABLE (PHILADELPHIA, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	32	18.0%	4,449	15.3%	65	36.5%	7,821	27.0%
Moderate	85	47.8%	11,846	40.9%	64	36.0%	10,125	34.9%
Middle	43	24.2%	7,447	25.7%	24	13.5%	4,001	13.8%
Upper	18	10.1%	5,249	18.1%	20	11.2%	6,165	21.3%
Unknown	0	0.0%	0	0.0%	5	2.8%	879	3.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**178**	**100.0%**	**28,991**	**100.0%**	**178**	**100.0%**	**28,991**	**100.0%**
Refinance								
Low	3	4.8%	603	4.1%	6	9.5%	1,001	6.9%
Moderate	12	19.0%	1,813	12.5%	7	11.1%	1,367	9.4%
Middle	24	38.1%	5,284	36.3%	10	15.9%	2,635	18.1%
Upper	24	38.1%	6,857	47.1%	21	33.3%	5,442	37.4%
Unknown	0	0.0%	0	0.0%	19	30.2%	4,112	28.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**63**	**100.0%**	**14,557**	**100.0%**	**63**	**100.0%**	**14,557**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	100.0%	2,839	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	2,839	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**2**	**100.0%**	**2,839**	**100.0%**	**2**	**100.0%**	**2,839**	**100.0%**

CONTINUED- 2020 HMDA LOAN DISTRIBUTION TABLE (PHILADELPHIA, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	35	14.4%	5,052	10.9%	71	29.2%	8,822	19.0%
Moderate	97	39.9%	13,659	29.4%	71	29.2%	11,492	24.8%
Middle	69	28.4%	15,570	33.6%	34	14.0%	6,636	14.3%
Upper	42	17.3%	12,106	26.1%	41	16.9%	11,607	25.0%
Unknown	0	0.0%	0	0.0%	26	10.7%	7,830	16.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**243**	**100.0%**	**46,387**	**100.0%**	**243**	**100.0%**	**46,387**	**100.0%**

2021 HMDA LOAN DISTRIBUTION TABLE (PHILADELPHIA, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	50	22.1%	7,651	18.4%	62	27.4%	8,590	20.6%
Moderate	106	46.9%	17,890	43.0%	103	45.6%	17,996	43.3%
Middle	51	22.6%	9,839	23.7%	26	11.5%	4,895	11.8%
Upper	19	8.4%	6,217	14.9%	14	6.2%	3,179	7.6%
Unknown	0	0.0%	0	0.0%	21	9.3%	6,938	16.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**226**	**100.0%**	**41,597**	**100.0%**	**226**	**100.0%**	**41,597**	**100.0%**
Refinance								
Low	1	1.8%	222	1.3%	0	0.0%	0	0.0%
Moderate	8	14.0%	1,809	10.8%	3	5.3%	508	3.0%
Middle	18	31.6%	4,703	28.2%	4	7.0%	770	4.6%
Upper	30	52.6%	9,948	59.6%	15	26.3%	5,079	30.4%
Unknown	0	0.0%	0	0.0%	35	61.4%	10,325	61.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**57**	**100.0%**	**16,682**	**100.0%**	**57**	**100.0%**	**16,682**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Multi-Family								
Low	1	14.3%	701	4.6%	0	0.0%	0	0.0%
Moderate	4	57.1%	2,264	14.8%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	2	28.6%	12,300	80.6%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	7	100.0%	15,265	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**7**	**100.0%**	**15,265**	**100.0%**	**7**	**100.0%**	**15,265**	**100.0%**

CONTINUED- 2021 HMDA LOAN DISTRIBUTION TABLE (PHILADELPHIA, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	52	17.9%	8,575	11.7%	62	21.4%	8,590	11.7%
Moderate	118	40.7%	21,963	29.9%	106	36.6%	18,504	25.2%
Middle	69	23.8%	14,542	19.8%	30	10.3%	5,665	7.7%
Upper	51	17.6%	28,465	38.7%	29	10.0%	8,258	11.2%
Unknown	0	0.0%	0	0.0%	63	21.7%	32,528	44.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**290**	**100.0%**	**73,544**	**100.0%**	**290**	**100.0%**	**73,544**	**100.0%**

2020 HMDA LOAN DISTRIBUTION TABLE (READING, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	72	34.8%	5,450	23.4%	115	55.6%	10,341	44.3%
Moderate	46	22.2%	4,230	18.1%	66	31.9%	8,548	36.6%
Middle	78	37.7%	11,461	49.1%	14	6.8%	2,472	10.6%
Upper	11	5.3%	2,193	9.4%	6	2.9%	1,123	4.8%
Unknown	0	0.0%	0	0.0%	6	2.9%	849	3.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**207**	**100.0%**	**23,333**	**100.0%**	**207**	**100.0%**	**23,333**	**100.0%**
Refinance								
Low	0	0.0%	0	0.0%	3	14.3%	549	12.1%
Moderate	2	9.5%	205	4.5%	3	14.3%	481	10.6%
Middle	12	57.1%	2,346	51.8%	3	14.3%	485	10.7%
Upper	7	33.3%	1,978	43.7%	8	38.1%	2,524	55.7%
Unknown	0	0.0%	0	0.0%	4	19.0%	490	10.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**21**	**100.0%**	**4,529**	**100.0%**	**21**	**100.0%**	**4,529**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	195	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	1	100.0%	195	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**195**	**100.0%**	**1**	**100.0%**	**195**	**100.0%**
Multi-Family								
Low	3	30.0%	553	1.8%	0	0.0%	0	0.0%
Moderate	2	20.0%	310	1.0%	0	0.0%	0	0.0%
Middle	4	40.0%	28,975	95.4%	0	0.0%	0	0.0%
Upper	1	10.0%	540	1.8%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	10	100.0%	30,378	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**10**	**100.0%**	**30,378**	**100.0%**	**10**	**100.0%**	**30,378**	**100.0%**

CONTINUED- 2020 HMDA LOAN DISTRIBUTION TABLE (READING, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	75	31.4%	6,003	10.3%	118	49.4%	10,890	18.6%
Moderate	50	20.9%	4,744	8.1%	69	28.9%	9,029	15.5%
Middle	95	39.7%	42,977	73.5%	17	7.1%	2,957	5.1%
Upper	19	7.9%	4,711	8.1%	15	6.3%	3,842	6.6%
Unknown	0	0.0%	0	0.0%	20	8.4%	31,717	54.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**239**	**100.0%**	**58,435**	**100.0%**	**239**	**100.0%**	**58,435**	**100.0%**

2021 HMDA LOAN DISTRIBUTION TABLE (READING, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	83	40.1%	8,822	30.5%	126	60.9%	14,614	50.6%
Moderate	35	16.9%	4,192	14.5%	56	27.1%	8,822	30.5%
Middle	82	39.6%	14,078	48.7%	18	8.7%	3,850	13.3%
Upper	7	3.4%	1,817	6.3%	3	1.4%	938	3.2%
Unknown	0	0.0%	0	0.0%	4	1.9%	685	2.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**207**	**100.0%**	**28,908**	**100.0%**	**207**	**100.0%**	**28,908**	**100.0%**
Refinance								
Low	5	21.7%	405	11.8%	6	26.1%	499	14.5%
Moderate	4	17.4%	414	12.0%	8	34.8%	686	20.0%
Middle	7	30.4%	784	22.8%	0	0.0%	0	0.0%
Upper	7	30.4%	1,832	53.3%	3	13.0%	1,079	31.4%
Unknown	0	0.0%	0	0.0%	6	26.1%	1,172	34.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**23**	**100.0%**	**3,435**	**100.0%**	**23**	**100.0%**	**3,435**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Multi-Family								
Low	1	33.3%	116	2.1%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	66.7%	5,297	97.9%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	3	100.0%	5,413	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3**	**100.0%**	**5,413**	**100.0%**	**3**	**100.0%**	**5,413**	**100.0%**

CONTINUED- 2021 HMDA LOAN DISTRIBUTION TABLE (READING, PA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	89	38.2%	9,342	24.7%	132	56.7%	15,112	40.0%
Moderate	39	16.7%	4,605	12.2%	64	27.5%	9,508	25.2%
Middle	91	39.1%	20,159	53.4%	18	7.7%	3,850	10.2%
Upper	14	6.0%	3,649	9.7%	6	2.6%	2,017	5.3%
Unknown	0	0.0%	0	0.0%	13	5.6%	7,269	19.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**233**	**100.0%**	**37,756**	**100.0%**	**233**	**100.0%**	**37,756**	**100.0%**

2020 HMDA LOAN DISTRIBUTION TABLE (NEW YORK, NYASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	50.0%	249	50.3%	0	0.0%	0	0.0%
Middle	1	50.0%	246	49.7%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	495	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**2**	**100.0%**	**495**	**100.0%**	**2**	**100.0%**	**495**	**100.0%**
Refinance								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	1	100.0%	800	100.0%	1	100.0%	800	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**800**	**100.0%**	**1**	**100.0%**	**800**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**

CONTINUED- 2020 HMDA LOAN DISTRIBUTION TABLE (NEW YORK, NY ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	33.3%	249	19.2%	0	0.0%	0	0.0%
Middle	1	33.3%	246	19.0%	0	0.0%	0	0.0%
Upper	1	33.3%	800	61.8%	1	33.3%	800	61.8%
Unknown	0	0.0%	0	0.0%	2	66.7%	495	38.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3**	**100.0%**	**1,295**	**100.0%**	**3**	**100.0%**	**1,295**	**100.0%**

2021 HMDA LOAN DISTRIBUTION TABLE (NEW YORK, NY ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	16.7%	1,053	26.1%	0	0.0%	0	0.0%
Middle	2	33.3%	928	23.0%	0	0.0%	0	0.0%
Upper	3	50.0%	2,050	50.9%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	6	100.0%	4,031	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**6**	**100.0%**	**4,031**	**100.0%**	**6**	**100.0%**	**4,031**	**100.0%**
Refinance								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	20.0%	750	12.9%	0	0.0%	0	0.0%
Upper	4	80.0%	5,073	87.1%	1	20.0%	969	16.6%
Unknown	0	0.0%	0	0.0%	4	80.0%	4,854	83.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**5**	**100.0%**	**5,823**	**100.0%**	**5**	**100.0%**	**5,823**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Multi-Family								
Low	3	9.4%	25,775	10.0%	0	0.0%	0	0.0%
Moderate	14	43.8%	117,735	45.5%	0	0.0%	0	0.0%
Middle	6	18.8%	34,175	13.2%	0	0.0%	0	0.0%
Upper	9	28.1%	80,980	31.3%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	32	100.0%	258,665	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**32**	**100.0%**	**258,665**	**100.0%**	**32**	**100.0%**	**258,665**	**100.0%**

CONTINUED- 2021 HMDA LOAN DISTRIBUTION TABLE (NEW YORK, NY ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	3	7.0%	25,775	9.6%	0	0.0%	0	0.0%
Moderate	15	34.9%	118,788	44.2%	0	0.0%	0	0.0%
Middle	9	20.9%	35,853	13.4%	0	0.0%	0	0.0%
Upper	16	37.2%	88,103	32.8%	1	2.3%	969	0.4%
Unknown	0	0.0%	0	0.0%	42	97.7%	267,550	99.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**43**	**100.0%**	**268,519**	**100.0%**	**43**	**100.0%**	**268,519**	**100.0%**

2020 HMDA LOAN DISTRIBUTION TABLE (TRENTON, NJ ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	1	20.0%	116	15.0%	4	80.0%	573	74.1%
Moderate	3	60.0%	457	59.1%	1	20.0%	200	25.9%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	1	20.0%	200	25.9%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**5**	**100.0%**	**773**	**100.0%**	**5**	**100.0%**	**773**	**100.0%**
Refinance								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	100.0%	65	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	65	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**65**	**100.0%**	**1**	**100.0%**	**65**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	1	100.0%	32	100.0%
Upper	1	100.0%	32	100.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**32**	**100.0%**	**1**	**100.0%**	**32**	**100.0%**
Multi-Family								
Low	1	100.0%	234	100.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	234	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**234**	**100.0%**	**1**	**100.0%**	**234**	**100.0%**

CONTINUED- 2020 HMDA LOAN DISTRIBUTION TABLE (TRENTON, NJ ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	2	25.0%	350	31.7%	4	50.0%	573	51.9%
Moderate	4	50.0%	522	47.3%	1	12.5%	200	18.1%
Middle	0	0.0%	0	0.0%	1	12.5%	32	2.9%
Upper	2	25.0%	232	21.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	25.0%	299	27.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**8**	**100.0%**	**1,104**	**100.0%**	**8**	**100.0%**	**1,104**	**100.0%**

2021 HMDA LOAN DISTRIBUTION TABLE (TRENTON, NJ ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	2	100.0%	381	100.0%
Moderate	2	100.0%	381	100.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**2**	**100.0%**	**381**	**100.0%**	**2**	**100.0%**	**381**	**100.0%**
Refinance								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	33.3%	117	14.7%	0	0.0%	0	0.0%
Middle	1	33.3%	260	32.7%	1	33.3%	117	14.7%
Upper	1	33.3%	419	52.6%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	66.7%	679	85.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3**	**100.0%**	**796**	**100.0%**	**3**	**100.0%**	**796**	**100.0%**
Home Improvement								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**

CONTINUED- 2021 HMDA LOAN DISTRIBUTION TABLE (TRENTON, NJ ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
Other Purpose LOC								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Other Purpose Closed/Exempt								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Loan Purpose Not Applicable								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
HMDA Totals								
Low	0	0.0%	0	0.0%	2	40.0%	381	32.4%
Moderate	3	60.0%	498	42.3%	0	0.0%	0	0.0%
Middle	1	20.0%	260	22.1%	1	20.0%	117	9.9%
Upper	1	20.0%	419	35.6%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	40.0%	679	57.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**5**	**100.0%**	**1,178**	**100.0%**	**5**	**100.0%**	**1,178**	**100.0%**

CRA APPENDIX E: SMALL BUSINESS LOAN DISTRIBUTION TABLES

2020 SMALL BUSINESS LOAN DISTRIBUTION TABLE (PHILADELPHIA, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	65	4.4%	5,600	4.8%	0	0.0%	0	0.0%
Moderate	213	14.3%	13,754	11.7%	0	0.0%	0	0.0%
Middle	540	36.2%	49,773	42.5%	0	0.0%	0	0.0%
Upper	671	44.9%	47,255	40.4%	0	0.0%	0	0.0%
Unknown	4	0.3%	679	0.6%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1,493**	**100.0%**	**117,061**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	27	1.8%	6,731	5.7%	0	0.0%	0	0.0%
Over $1 Million	21	1.4%	6,715	5.7%	0	0.0%	0	0.0%
Not Known	1,445	96.8%	103,615	88.5%	0	0.0%	0	0.0%
Total	**1,493**	**100.0%**	**117,061**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	1,190	79.7%	31,802	27.2%	0	0.0%	0	0.0%
$100,001 - $250,000	173	11.6%	27,466	23.5%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	130	8.7%	57,793	49.4%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1,493**	**100.0%**	**117,061**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	6	22.2%	270	4.0%	0	0.0%	0	0.0%
$100,001 - $250,000	14	51.9%	2,339	34.7%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	7	25.9%	4,122	61.2%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**27**	**100.0%**	**6,731**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2021 SMALL BUSINESS LOAN DISTRIBUTION TABLE (PHILADELPHIA, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS					SMALL FARM		
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	276	8.0%	6,260	6.1%	0	0.0%	0	0.0%
Moderate	981	28.6%	19,802	19.3%	0	0.0%	0	0.0%
Middle	1,138	33.2%	35,941	35.0%	0	0.0%	0	0.0%
Upper	1,021	29.8%	38,650	37.7%	0	0.0%	0	0.0%
Unknown	15	0.4%	1,972	1.9%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3,431**	**100.0%**	**102,625**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	20	0.6%	6,022	5.9%	0	0.0%	0	0.0%
Over $1 Million	13	0.4%	4,513	4.4%	0	0.0%	0	0.0%
Not Known	3,398	99.0%	92,090	89.7%	0	0.0%	0	0.0%
Total	**3,431**	**100.0%**	**102,625**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	3,233	94.2%	51,321	50.0%	0	0.0%	0	0.0%
$100,001 - $250,000	138	4.0%	21,515	21.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	60	1.7%	29,789	29.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3,431**	**100.0%**	**102,625**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	3	15.0%	131	2.2%	0	0.0%	0	0.0%
$100,001 - $250,000	7	35.0%	1,455	24.2%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	10	50.0%	4,436	73.7%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**20**	**100.0%**	**6,022**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2020 SMALL BUSINESS LOAN DISTRIBUTION TABLE (READING, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	48	9.8%	7,075	12.3%	0	0.0%	0	0.0%
Moderate	31	6.3%	3,354	5.8%	0	0.0%	0	0.0%
Middle	268	54.8%	31,886	55.3%	0	0.0%	0	0.0%
Upper	142	29.0%	15,391	26.7%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**489**	**100.0%**	**57,706**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	17	3.5%	2,760	4.8%	0	0.0%	0	0.0%
Over $1 Million	27	5.5%	8,054	14.0%	0	0.0%	0	0.0%
Not Known	445	91.0%	46,892	81.3%	0	0.0%	0	0.0%
Total	**489**	**100.0%**	**57,706**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	336	68.7%	9,733	16.9%	0	0.0%	0	0.0%
$100,001 - $250,000	83	17.0%	13,249	23.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	70	14.3%	34,724	60.2%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**489**	**100.0%**	**57,706**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	5	29.4%	199	7.2%	0	0.0%	0	0.0%
$100,001 - $250,000	9	52.9%	1,479	53.6%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	3	17.6%	1,082	39.2%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**17**	**100.0%**	**2,760**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2021 SMALL BUSINESS LOAN DISTRIBUTION TABLE (READING, PA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	93	20.0%	2,847	9.4%	0	0.0%	0	0.0%
Moderate	33	7.1%	1,503	5.0%	0	0.0%	0	0.0%
Middle	223	48.1%	15,964	52.7%	0	0.0%	0	0.0%
Upper	115	24.8%	9,950	32.9%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**464**	**100.0%**	**30,264**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	21	4.5%	3,991	13.2%	0	0.0%	0	0.0%
Over $1 Million	12	2.6%	4,112	13.6%	0	0.0%	0	0.0%
Not Known	431	92.9%	22,161	73.2%	0	0.0%	0	0.0%
Total	**464**	**100.0%**	**30,264**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	390	84.1%	7,937	26.2%	0	0.0%	0	0.0%
$100,001 - $250,000	45	9.7%	7,504	24.8%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	29	6.3%	14,823	49.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**464**	**100.0%**	**30,264**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	10	47.6%	423	10.6%	0	0.0%	0	0.0%
$100,001 - $250,000	8	38.1%	1,432	35.9%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	3	14.3%	2,136	53.5%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**21**	**100.0%**	**3,991**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2020 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NEW YORK, NY ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	381	9.8%	18,076	8.6%	0	0.0%	0	0.0%
Moderate	809	20.9%	37,556	17.9%	0	0.0%	0	0.0%
Middle	768	19.8%	35,250	16.8%	0	0.0%	0	0.0%
Upper	1,844	47.5%	113,043	53.8%	0	0.0%	0	0.0%
Unknown	78	2.0%	6,320	3.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3,880**	**100.0%**	**210,245**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	1	0.0%	154	0.1%	0	0.0%	0	0.0%
Over $1 Million	1	0.0%	850	0.4%	0	0.0%	0	0.0%
Not Known	3,878	99.9%	209,241	99.5%	0	0.0%	0	0.0%
Total	**3,880**	**100.0%**	**210,245**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	3,374	87.0%	79,209	37.7%	0	0.0%	0	0.0%
$100,001 - $250,000	336	8.7%	53,079	25.2%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	170	4.4%	77,957	37.1%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3,880**	**100.0%**	**210,245**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$100,001 - $250,000	1	100.0%	154	100.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**154**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2021 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NEW YORK, NY ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	2,806	12.9%	45,599	10.8%	0	0.0%	0	0.0%
Moderate	7,008	32.1%	116,986	27.6%	0	0.0%	0	0.0%
Middle	6,438	29.5%	110,569	26.1%	0	0.0%	0	0.0%
Upper	5,420	24.9%	145,068	34.2%	0	0.0%	0	0.0%
Unknown	133	0.6%	5,594	1.3%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**21,805**	**100.0%**	**423,816**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	1	0.0%	850	0.2%	0	0.0%	0	0.0%
Over $1 Million	3	0.0%	1,700	0.4%	0	0.0%	0	0.0%
Not Known	21,801	100.0%	421,266	99.4%	0	0.0%	0	0.0%
Total	**21,805**	**100.0%**	**423,816**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	21,358	98.0%	325,514	76.8%	0	0.0%	0	0.0%
$100,001 - $250,000	337	1.5%	49,112	11.6%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	110	0.5%	49,190	11.6%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**21,805**	**100.0%**	**423,816**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	1	100.0%	850	100.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**850**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2020 SMALL BUSINESS LOAN DISTRIBUTION TABLE (TRENTON, NJ ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	7	5.0%	751	8.0%	0	0.0%	0	0.0%
Moderate	22	15.6%	1,172	12.5%	0	0.0%	0	0.0%
Middle	52	36.9%	4,996	53.1%	0	0.0%	0	0.0%
Upper	60	42.6%	2,486	26.4%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**141**	**100.0%**	**9,405**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	1	0.7%	16	0.2%	0	0.0%	0	0.0%
Over $1 Million	2	1.4%	425	4.5%	0	0.0%	0	0.0%
Not Known	138	97.9%	8,964	95.3%	0	0.0%	0	0.0%
Total	**141**	**100.0%**	**9,405**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	114	80.9%	2,757	29.3%	0	0.0%	0	0.0%
$100,001 - $250,000	16	11.3%	2,571	27.3%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	11	7.8%	4,077	43.3%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**141**	**100.0%**	**9,405**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	1	100.0%	16	100.0%	0	0.0%	0	0.0%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**16**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2021 SMALL BUSINESS LOAN DISTRIBUTION TABLE (TRENTON, NJ ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	44	15.7%	1,207	10.9%	0	0.0%	0	0.0%
Moderate	76	27.0%	2,202	19.9%	0	0.0%	0	0.0%
Middle	70	24.9%	4,075	36.9%	0	0.0%	0	0.0%
Upper	91	32.4%	3,568	32.3%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**281**	**100.0%**	**11,052**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	4	1.4%	1,525	13.8%	0	0.0%	0	0.0%
Over $1 Million	2	0.7%	271	2.5%	0	0.0%	0	0.0%
Not Known	275	97.9%	9,256	83.7%	0	0.0%	0	0.0%
Total	**281**	**100.0%**	**11,052**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	258	91.8%	4,928	44.6%	0	0.0%	0	0.0%
$100,001 - $250,000	15	5.3%	2,456	22.2%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	8	2.8%	3,668	33.2%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**281**	**100.0%**	**11,052**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	1	25.0%	60	3.9%	0	0.0%	0	0.0%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	3	75.0%	1,465	96.1%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**1,525**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2020 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NY-JERSEY CITY-WHITE PLAINS MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	381	9.8%	18,076	8.6%	0	0.0%	0	0.0%
Moderate	809	20.9%	37,556	17.9%	0	0.0%	0	0.0%
Middle	768	19.8%	35,250	16.8%	0	0.0%	0	0.0%
Upper	1,844	47.5%	113,043	53.8%	0	0.0%	0	0.0%
Unknown	78	2.0%	6,320	3.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3,880**	**100.0%**	**210,245**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	1	0.0%	154	0.1%	0	0.0%	0	0.0%
Over $1 Million	1	0.0%	850	0.4%	0	0.0%	0	0.0%
Not Known	3,878	99.9%	209,241	99.5%	0	0.0%	0	0.0%
Total	**3,880**	**100.0%**	**210,245**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	3,374	87.0%	79,209	37.7%	0	0.0%	0	0.0%
$100,001 - $250,000	336	8.7%	53,079	25.2%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	170	4.4%	77,957	37.1%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3,880**	**100.0%**	**210,245**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$100,001 - $250,000	1	100.0%	154	100.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**154**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

2021 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NY-JERSEY CITY-WHITE PLAINS MD ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
By Tract Income								
Low	2,806	12.9%	45,599	10.8%	0	0.0%	0	0.0%
Moderate	7,008	32.1%	116,986	27.6%	0	0.0%	0	0.0%
Middle	6,438	29.5%	110,569	26.1%	0	0.0%	0	0.0%
Upper	5,420	24.9%	145,068	34.2%	0	0.0%	0	0.0%
Unknown	133	0.6%	5,594	1.3%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**21,805**	**100.0%**	**423,816**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Revenue								
Total $1 Million or Less	1	0.0%	850	0.2%	0	0.0%	0	0.0%
Over $1 Million	3	0.0%	1,700	0.4%	0	0.0%	0	0.0%
Not Known	21,801	100.0%	421,266	99.4%	0	0.0%	0	0.0%
Total	**21,805**	**100.0%**	**423,816**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size								
$100,000 or less	21,358	98.0%	325,514	76.8%	0	0.0%	0	0.0%
$100,001 - $250,000	337	1.5%	49,112	11.6%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	110	0.5%	49,190	11.6%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**21,805**	**100.0%**	**423,816**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**
By Loan Size and Revenue $1 Million or Less								
$100,000 or less	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	1	100.0%	850	100.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**850**	**100.0%**	**0**	**0.0%**	**0**	**0.0%**

CRA APPENDIX F: ASSESSMENT AREA MAPS

PHILADELPHIA, PA ASSESSMENT AREA (2015 ACS DATA)

2015 Census Year

INCOME
- Low
- Moderate
- Middle
- Upper
- Unknown
- AA Boundary

FEATURES
- Water Body
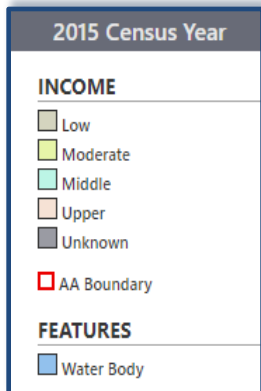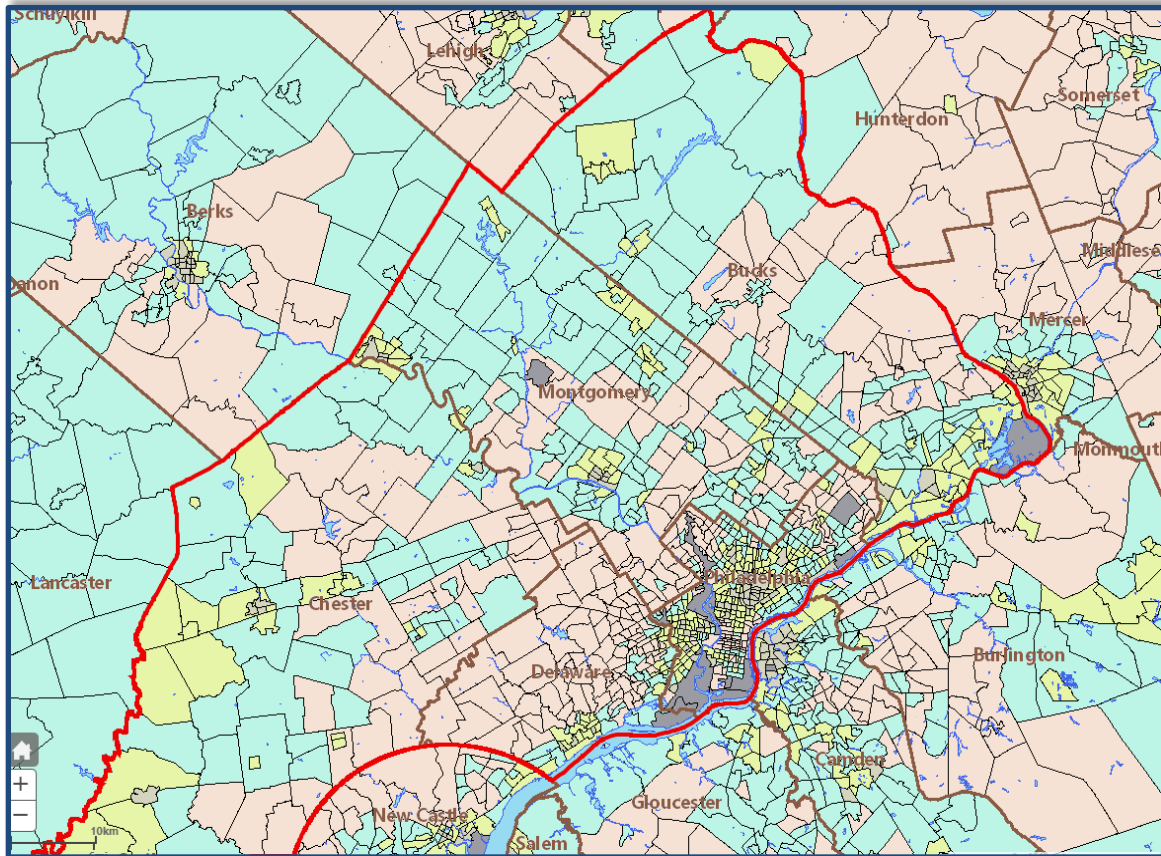
READING, PA ASSESSMENT AREA (2015 ACS DATA)
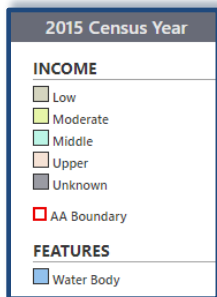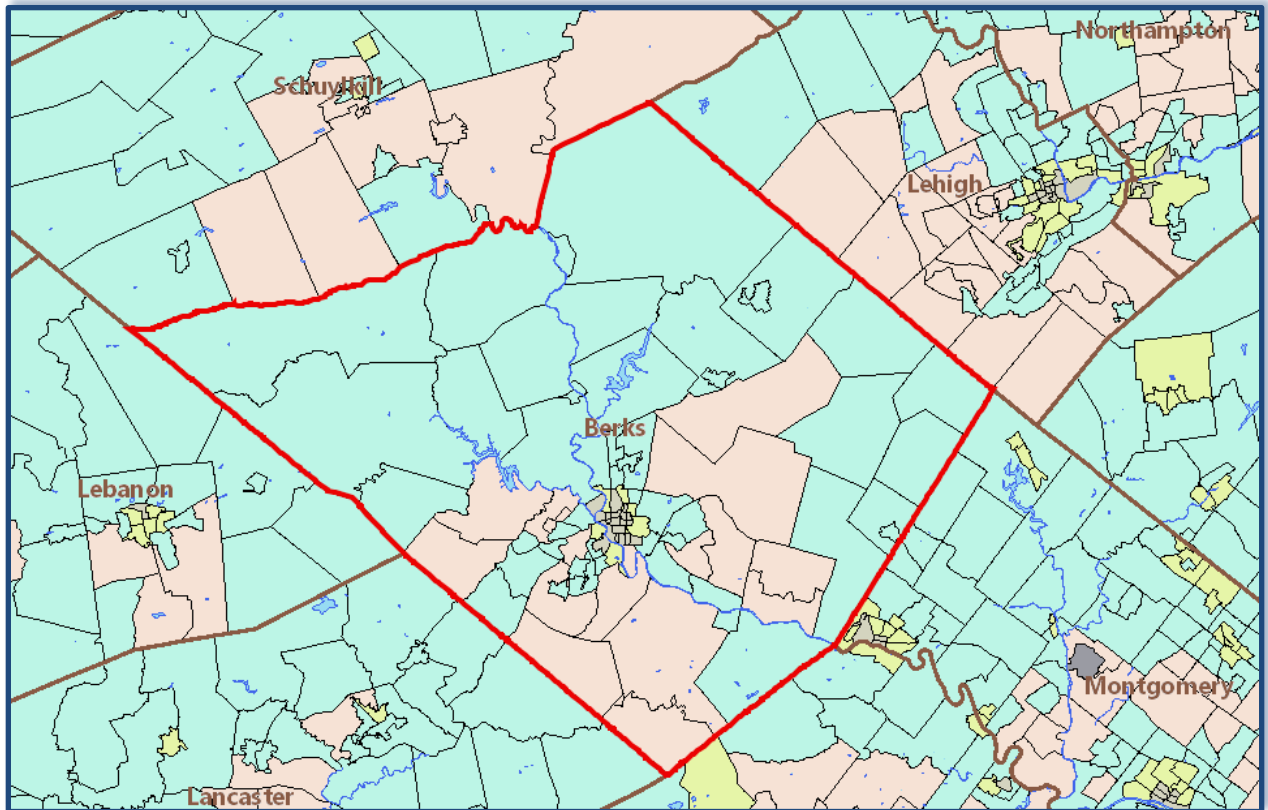
NEW YORK, NY ASSESSMENT AREA (2018 OMB DATA)

TRENTON, NJ ASSESSMENT AREA (2015 ACS DATA)