

City of Philadelphia Office of the City Treasurer



Authorized Depository Compliance Reporting: Philadelphia City Code Chapter 19-200 City Funds--Deposits, Investments, & Disbursements

Annual Request for Information Questionnaire For Calendar Year 2022

C. COMMUNITY REINVESTMENT GOALS

Financial institution’s annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate- income neighborhoods within the City of Philadelphia.

- 1. Provide an overview of the financial institution’s annual Community Reinvestment Goals and confirm most recent CRA rating.**

The Bank of New York Mellon Corporation maintains two main subsidiary banks subject to the CRA, (BNYMTCNA is not one of them), 1) The Bank of New York Mellon (“Institutional Bank”) and 2) BNY Mellon, N.A. (“N.A. Bank”). For CRA purposes, both banks have a designation of “Wholesale Bank” and are evaluated under the community development test.

Both the Federal Reserve Bank of New York (“FRBNY”) and the New York State Department of Financial Services (“NYDFS”) regulates the Institutional Bank for CRA purposes. The Office of the Comptroller of the Currency (“OCC”) regulates the N.A. Bank for CRA purposes.

Current CRA Ratings:
 Institutional Bank:
 FRBNY “Satisfactory”
 NYDFS “Satisfactory”

N.A. Bank:
 OCC “Outstanding”

- 2. Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.**

Type	2022 Goals	2022 Results	2023 Goals
Small Business Loans			
Home Mortgages			
Home Improvement Loans			
Community Development Investments			

Please see the attached CRA file for The Bank of New York Mellon.

If applicable, explain why the previous year results did not meet the stated goal.

3. Provide the actual number and dollar amounts of residential mortgages, home improvement loans, community development investments, consumer loans, and small business loans, and other commercial loans made in neighborhoods within the City of Philadelphia.

Please see the attached CRA file for The Bank of New York Mellon.

Calendar Year 2022

Number of Loans by Income

Type	Low	Mod	Mid	Upper	Total
Residential Mortgage					
Home Improvement					
Small Business Loans					
Community Development					
Consumer Loans					
Other Commercial Loans					
Total:					
How many business loans were originated?					

Value of Loans (\$) by Income

Type	Low	Mod	Mid	Upper	Total
Residential Mortgage					
Home Improvement					
Small Business Loans					
Community Development					
Consumer Loans					
Other Commercial Loans					
Total:					
% of Consumer Loans made through Credit Cards					

4. **Provide information on other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development).**

Please see the attached CRA file for The Bank of New York Mellon.

5. **Briefly describe any lending outreach programs geared toward minorities, low-income individuals, women, or immigrants. This description should include the targeted community, the type of product (i.e. commercial, home lending, unsecured consumer) and any program outcomes.**

Please see the attached CRA file for The Bank of New York Mellon.

6. **Disparities in Lending: Attach a long-term strategic plan to address disparities in the Bank's or Financial Institution's lending and investment activities that may be indicated in the [City's 2021 annual lending study](#).**

Label this document "Appendix II – Long-Term Strategic Plan." If disparities are not indicated in the study, then a strategic plan on programs, lending, and branching patterns should be submitted. Label this document "Appendix II – Long-Term Strategic Plan".

All depositories are required to respond per Chapter 19-200 as referenced:

"Each depository shall also provide the City with a long-term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City."

Not applicable to the services offered by BNYMTCNA to this client.



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION
OF
THE BANK OF NEW YORK MELLON

AS OF MARCH 31, 2021

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

NOTE: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of The Bank of New York Mellon (“BNY Mellon” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of March 31, 2021.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated BNY Mellon's performance according to the community development test for wholesale or limited purpose banking institutions pursuant to Section 76.11 of the GRS. The evaluation period covered October 1, 2018 through March 31, 2021. BNY Mellon is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs. This rating is the same rating the Bank received in its prior DFS Performance Evaluation, as of September 30, 2018.

This rating is based on the following criteria:

Community Development Test:

BNY Mellon's community development performance demonstrated a reasonable level of community development loans, qualified investments and services considering the Bank's capacity and the need and availability of such opportunities for community development in its assessment area.

Community Development Lending:

During the evaluation period, BNY Mellon originated \$483.6 million in new community development loans, and had no loans outstanding from prior evaluation periods.

Qualified Investments:

During the evaluation period, BNY Mellon made \$781.1 million in new qualified investments and had \$957 million in qualified investments outstanding from prior evaluation periods. In addition, the Bank made \$14.4 million in grants.

Community Development Services:

During the evaluation period, BNY Mellon participated in 166 community development services.

Innovative or Complex Practices:

BNY Mellon demonstrated a reasonable level of innovative or flexible community development practices.

Responsiveness to Credit and Community Development Needs:

BNY Mellon demonstrated a reasonable level of responsiveness to credit and community development needs.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the General Regulations of the Superintendent.

PERFORMANCE CONTEXT

Institution Profile

Headquartered in New York City, BNY Mellon is a New York State-chartered bank. The Bank is a subsidiary of The Bank of New York Mellon Corporation, a global investment firm.

BNY Mellon provides investment services which include asset servicing, clearing services, issuer services such as corporate trust, and treasury services to institutional clients. BNY Mellon does not offer retail consumer deposit or lending services. An affiliate of the Bank, BNY Aurora Holding Corporation, makes investments in Low Income Housing Tax Credits (“LITHC”) and Small Business Investment Companies (“SBIC”) on behalf of the Bank, which are included in this evaluation.

In its Consolidated Report of Condition (the “Call Report”), as of March 31, 2021, filed with the Federal Deposit Insurance Corporation (“FDIC”), BNY Mellon reported total assets of \$383.9 billion, of which \$29.1 billion were loans and lease financing receivables. It also reported total deposits of \$216.9 billion in domestic offices, resulting in a loan-to-deposit ratio of 13.2%. According to the latest available comparative deposit data, as of June 30, 2020, BNY Mellon had a market share of 9%, or \$170.7 billion in a market of \$1.9 trillion, ranking it second among 131 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s loan portfolio based on the Schedule RC-C of the Bank’s December 31, 2018, 2019, 2020 and March 31, 2021 Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	12/31/2018		12/31/2019		12/31/2020		3/31/2021	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
Construction Loans	682,000	2.6	939,000	3.7	982,000	3.8	1,005,000	3.5
1-4 Family Residential Mortgage Loans	1,037,000	4.0	821,000	3.3	623,000	2.4	583,000	2.0
Multifamily Mortgages	837,000	3.2	993,000	4.0	1,224,000	4.8	1,225,000	4.2
Commercial Mortgage Loans	1,339,000	5.1	1,701,000	6.8	1,728,000	6.7	1,728,000	5.9
Loans to depository institutions	6,982,000	26.7	8,158,000	32.5	7,527,000	29.4	7,855,000	27.0
Commercial & Industrial Loans	2,070,000	7.9	1,622,000	6.5	1,453,000	5.7	1,360,000	4.7
Consumer Loans	14,000	0.1	0	0.0	0	0.0	0	0.0
Lns to foreign governments and official inst.	30,000	0.1	48,000	0.2	3,000	0.0	7,000	0.0
Obligations of States & Municipalities	173,000	0.7	129,000	0.5	439,000	1.7	1,083,000	3.7
Loans to non-depository institutions	11,751,000	44.9	9,616,000	38.3	10,662,000	41.6	13,260,000	45.6
Lease financing	1,257,000	4.8	1,113,000	4.4	989,000	3.9	960,000	3.3
Total Loans	26,158,000		25,127,000		25,616,000		29,053,000	

As illustrated in the above table, BNY Mellon is primarily a wholesale and investments related lender, with 30.9% of its loan portfolio in loans for purchasing or carrying securities, and 13.9% of its loan portfolio in loans to other depository institutions.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on BNY Mellon's ability to meet the credit needs of its community.

Assessment Area

The Bank's assessment area is comprised of Bronx, Kings, Nassau, New York, Queens, Richmond, and Westchester counties.

There are 2,674 census tracts in the assessment area, of which 303 are low-income, 624 are moderate-income, 841 are middle-income, 826 are upper-income and 80 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	7	140	99	60	33	339	70.5
Kings	14	95	260	230	162	761	46.6
Nassau	9	7	28	159	81	284	12.3
New York	15	34	57	21	161	288	31.6
Queens	27	16	146	303	177	669	24.2
Richmond	3	4	8	28	67	110	10.9
Westchester	5	7	26	40	145	223	14.8
Total	80	303	624	841	826	2,674	34.7

Demographic & Economic Data

The assessment area had a population of 10.7 million during the evaluation period. About 13.4% of the population was over the age of 65 and 19.1% was under the age of 16.

Of the 2.4 million families in the assessment area 29.1% were low-income, 15.8% were moderate-income, 16.2% were middle-income and 38.9% were upper-income families. There were 3.9 million households in the assessment area, of which 17% had income below the poverty level and 3.7% were on public assistance.

The weighted average median household income in the assessment area was \$69,158.

There were 4.3 million housing units within the assessment area, of which 47.2% were one-to-four family units, and 52.6% were multifamily units. A majority (55%) of the area's housing units were renter-occupied units, while 36.5% were owner-occupied units. Of the 2.3 million renter-occupied housing units, 50.2% were in low- and moderate-income census tracts while 49.5% were in middle- and upper-income census tracts.

The median age of the housing stock was 79 years, and the median home value in the assessment area was \$529,951.

There were 1,106,311 non-farm businesses in the assessment area. Of these, 90.9% were

businesses with reported revenues of less than or equal to \$1 million, 4.3% reported revenues of more than \$1 million and 4.8% did not report their revenues. Of all the businesses in the assessment area, 97.8% were businesses with less than fifty employees while 94.2% operated from a single location. The largest industries in the area were services (36.18%), followed by retail trade (11.6%), and finance, insurance, and real estate (9.9%); 27.1% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the annual average unemployment rates for New York State and all counties in the assessment area declined between 2018 and 2019, but significantly increased in 2020 due to the COVID-19 pandemic which adversely impacted the labor market and the U.S. economy. In the first quarter of 2021 the unemployment rates improved.

Assessment Area Unemployment Rate								
	New York State	Bronx	Kings	Nassau	New York	Queens	Richmond	Westchester
2018	4.1%	5.6%	4.2%	3.5%	3.7%	3.6%	4.1%	3.9%
2019	3.8%	5.3%	4.0%	3.3%	3.4%	3.4%	3.8%	3.6%
2020	10.0%	16.0%	12.5%	8.4%	9.5%	12.5%	10.6%	8.4%
3/31/2021	8.4%	15.3%	11.6%	5.9%	8.6%	11.0%	9.8%	6.2%
Average of Above	6.6%	10.6%	8.1%	5.3%	6.3%	7.6%	7.1%	5.5%

Community Information

As part of the evaluation, DFS examiners conducted community contact interviews with representatives from two nonprofit organizations to identify and understand potential banking and credit needs of the communities within the Bank’s assessment area.

One organization provides resources to create, preserve and improve affordable housing for minority, immigrant and low-income families and individuals in the Bronx. The organization’s representative noted a trend of bank branch closures in the Northwest Bronx, which has been historically underbanked and underserved. The representative stated that the community needs physical branch locations especially in low- and moderate-income (“LMI”) geographies and for LMI individuals. Financial literacy programs, credit counseling, first-time homebuyer education and homebuyer assistance programs are also needed. The representative also stated that financial institutions need to take a more active role to ensure that affordable multifamily housing properties in their portfolio are kept in good condition.

DFS examiners also spoke with an organization that fights for racial and economic justice, providing supportive services for affordable housing and self-sustaining employment for people in the Bronx and surrounding areas. The organization’s representative identified that the Bronx has experienced both housing unavailability and unaffordability since 2018, resulting in displacement of long-term and low-income tenants. The representative noted that the most vulnerable are those tenants that do not understand their rights. The representative stated that some landlords are over-leveraged and have failed to provide sufficient heat. The

representative stated that banks and nonprofit community organizations need to work together to identify predatory credit and equity practices in the community. Additionally, the representative noted that small businesses need access to low interest loans, including Paycheck Protection Program loans.

PERFORMANCE TEST AND ASSESSMENT FACTORS

The Department evaluated BNY Mellon under the wholesale banking institution performance standards pursuant to the “community development test,” as provided in Section 76.11 of the GRS.

Performance criteria include:

- (1) the number and amount of community development loans, qualified investments, or community development services;*
- (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which investments are not routinely provided by private investors; and*
- (3) the banking institution’s responsiveness to credit and community development needs.*

In addition, the following factors are also considered in assessing BNY Mellon’s record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; the Bank’s record of opening and closing offices and providing services at offices; and process factors such as activities to ascertain credit needs; and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The evaluation period included the period from October 1, 2018, through March 31, 2021.

At its prior Performance Evaluation as of September 30, 2018, DFS assigned BNY Mellon a rating of “2”, reflecting a “Satisfactory” record of helping to meet community credit needs.

Current CRA Rating: Satisfactory

Community Development Test:

BNY Mellon’s community development performance demonstrated a reasonable level of community development loans, qualified investments and services considering the Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

All of BNY Mellon’s community development loans and qualified investments provided support for the community development purpose of affordable housing. The creation and preservation of affordable housing addresses an essential need for LMI individuals and families living in the Bank’s assessment area.

Community Development Lending:

During the evaluation period, BNY Mellon originated \$483.6 million in new community

development loans, and had no loans outstanding from prior evaluation periods.¹

BNY Mellon’s community development lending focused on addressing the affordable housing need in New York City and its surrounding counties by providing financing for affordable housing projects, specifically, construction loans, and extending letters of credit to enhance tax exempt bonds issued by the New York City Housing Development Corporation (“HDC”) and New York State Housing Finance Agency (“HFA”).

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	17	483,639		
Economic Development				
Community Services				
Other (Please Specify)				
Total	17	483,639	0	

Below are highlights of BNY Mellon’s community development lending:

- BNY Mellon provided an \$81.2 million direct-pay letter of credit to enhance tax-exempt bonds issued by HFA. The direct-pay letter will support the construction of a two-building, 323-unit development of permanent affordable housing in Bronx County. The project will reserve 40% of the units for households earning 30%-80% of the area median income (“AMI”), and the remaining 60% of units are reserved for households exiting the New York City Department of Homeless Shelter system.
- The Bank extended a \$51.5 million construction loan to partially finance the conversion of a former hospital into a residential building with 200 apartments. The project, located in Queens County, is designed to provide affordable housing, with 149 units set aside for families or individuals with income of 60% of AMI or less and 50 units set aside for families or individuals with income 80% of AMI or less.
- BNY Mellon extended a \$39.3 million construction phase letter of credit to enhance HDC bonds. The proceeds will partially finance the new construction of a 178-unit residential property where all units will be made available to households earning between 30% and 80% of AMI; 71% of the units are designated for households earning at or below 60% of AMI. The property will also house a nonprofit organization that provides social services to formerly homeless tenants and operates a community workforce program.

¹ For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the exam.

- The Bank committed a \$26.4 million construction letter of credit to enhance tax exempt bonds issued by HFA. The bond proceeds will be used to partially finance the construction of an 81 unit building where 87% of the units will be reserved for households whose incomes are between 30% to 80% of AMI. The property will include a community facility operated by a day care center that will serve low-income families.

Qualified Investments:

During the evaluation period, BNY Mellon made \$781.1 million in new qualified investments and \$14.4 million in grants. The Bank had \$957 million in qualified investments outstanding from prior evaluation periods.

All of the Bank's new qualified investments supported affordable housing and were in the form of investments in LIHTC funds, New York State's HFA and HDC bonds, and mortgage-backed securities. The Bank's community development grants provided support to various community development organizations that serve the BNY Mellon's assessment area including more than \$2 million in grants to various organizations and healthcare facilities in response to the COVID-19 pandemic.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	60	781,080	353	925,501
Economic Development			5	31,474
Community Services				
Other				
Total	60	781,080	358	956,975
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	56	423		
Economic Development	24	892		
Community Services	387	13,069		
Other				
Total	467	14,384		

Below are highlights of BNY Mellon's qualified investments and grants:

- BNY Mellon invested in nine LIHTC equity partnership funds totaling \$320.6 million. The investments supported affordable housing. Examples of three such investments are as follows:
 - A \$39.2 million investment in a construction project with 185 units of affordable housing for LMI individuals and families in Bronx County.
 - A \$38 million investment in a 179-unit housing project in Westchester County. All units are reserved for households with incomes between 40% to 80% of AMI.

-
- A \$27 million investment in an 81-unit housing project in Westchester County, of which 71 units are to be allocated to households earning between 30% and 80% of AMI.
 - The Bank invested \$414 million in twenty HFA and HDC multifamily bond funds to create and preserve high quality affordable housing serving communities within the Bank's assessment area.
 - The Bank invested in MBS totaling \$46.5 million that provided market liquidity in the affordable housing market within the Bank's assessment area.
 - The Bank donated \$4.6 million to a research foundation of a local university to support of its research program and paid internships to primarily LMI students who are residents of New York City.
 - The Bank donated \$2.2 million to various hospitals, health and social organizations and government related funds to support relief efforts and programs in response to the COVID-19 pandemic.
 - The Bank donated \$650,000 to a nonprofit organization whose mission is to support information technology workforce development training for under-resourced young adults.
 - The Bank donated \$100,000 to an organization that helps high school students in LMI communities by creating pathways for future career success by means of skills training, meaningful paid work experiences, college and career coaching, and alumni mentoring.

Community Development Services:

During the evaluation period, BNY Mellon participated in 166 community development services. Thirty-four Bank employees served as board or committee members of 44 nonprofit and community-based organizations. These organizations offer programs or provide services to LMI individuals and families, communities and small businesses in the Bank's assessment area.

The Bank also maintains a Community Partnership Program and a Supplier Diversity Program. The Community Partnership Program encourages Bank employees to volunteer for community organizations and give back through individual donations, which are matched by the Bank. The Supplier Diversity Program is a mentoring program focusing on women- and minority- owned businesses. The program provides support and advice to mentees with the goal of increasing small business diversity and capabilities.

Below are highlights of BNY Mellon's community development services:

- A vice president acts as an advisor to a nonprofit organization that assists low-income individuals, and people who are homeless, at risk of homelessness or transitioning out of homelessness. The agency offers services and programs in economic development,

education and youth development, family support services, housing services, legal services and adult literacy classes.

- A managing director served as a member of the board of an organization that fosters community initiatives in a section of Brooklyn. The organization focuses on enhancing self-sufficiency for at risk youth, promoting energy conservation and green jobs and expanding the local economy through commercial revitalization.
- A managing director serves as an advisor to an organization that partners with schools and community centers to conduct financial literacy workshops for teens throughout the New York City.
- A vice president serves as a member of the fundraising committee of a national nonprofit organization that preserves and creates affordable housing, supports the development of small businesses, and helps organize residents and communities to oppose unnecessary displacement.
- The general counsel and the senior managing counsel of the Bank are members of the boards of two organizations, providing pro bono legal services to low-income and disadvantaged New Yorkers.

Innovative Practices:

BNY Mellon demonstrated a reasonable level of innovative and/or flexible community development practices. The Bank invested in several LIHTC projects, which encourage developers to acquire, rehabilitate and create affordable housing. LIHTC projects are considered complex, because of the technical accounting requirements associated with the projects. In addition, BNY Mellon acted as a trustee and servicer for tax-exempt bonds and subsidy proceeds issued by HDC and HFA for affordable housing projects.

Responsiveness to Credit and Community Development Needs:

BNY Mellon demonstrated a reasonable level of responsiveness to credit and community development needs. Community contact interviewees noted affordable housing as a critical need within the assessment area. The Bank's community development lending and investments solely supported affordable housing initiatives.

Investments in LIHTCs are considered responsive to the critical need of affordable housing. During the evaluation period, the Bank invested \$320.6 million in LIHTCs programs.

Additional Factors

The extent of participation by the banking institution's Board of Directors/Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

BNY Mellon's Board of Directors implement and maintain the Bank's CRA policy through an appointed Corporate Governance, Nominating Social Responsibility Committee ("GNSRC") of the board of directors and the CRA and Fair Lending Management Committee ("CRA/FL Committee"). The CRA/FL committee monitors the Bank's compliance with CRA rules and regulations, coordinates and enhances managerial oversight of, and participation in, the Bank's CRA and Fair Lending regulatory efforts. The CRA/FL committee meets quarterly and performs self-assessments to measure progress toward planned objectives as well as annually reporting to the GNSRC of the board of directors. The CRA policy is reviewed biannually by the CRA/FL Committee and Consumer Compliance.

Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.*

DFS did not note evidence of any practices that were intended to discourage applications for the types of credit offered by BNY Mellon.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS did not note any evidence of prohibited discriminatory or other illegal practices.

The banking institution's record of opening and closing offices and providing services at offices

The Bank has not opened or closed any branches since the prior evaluation. As a wholesale bank, BNY Mellon does not offer retail services at its offices.

Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.*

The Bank ascertains the credit needs of its community through regular communication and interaction with community development organizations. BNY Mellon's officers and staff serve on boards and advisory committees of numerous community and economic development organizations. Bank staff also attends events sponsored by community development organizations and regulators.

- *The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution*

BNY Mellon employees attend CRA-related conferences, participate on boards and committees of many local nonprofit organizations whose missions support community

development in the assessment area and engage with community partners and discussions with CRA counterparts. The Bank also promotes economic development efforts through its Community Partnership and Supplier Diversity Programs.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

In addition to its community development activities in its assessment area and statewide, BNY Mellon also invested \$20.9 million in three nationwide Small Business Investment Corporation ("SBIC") bonds supporting economic development and small business growth.

GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons;
- Nonprofit organizations serving primarily LMI or other community development needs;

- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is

a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department's CDFI Fund.

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Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer’s investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;

- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%.