SIGNATURE BANK®
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# Public File 2022

## PART: 3

## NYSDFS CRA PERFORMANCE EVALUATION AS OF DECEMBER 31, 2021

In accordance with the Community Reinvestment Act (CRA) Regulation (Regulation BB, 12 CFR 25), Signature Bank is required to maintain and, upon request, make available for public inspection a complete Community Reinvestment Act Public File. By providing the CRA Public File online, Signature Bank is better able to keep this data up to date. The information provided is the most current as of April 1st of each year. To view any specific section of our CRA Public File, please click on the desired section title as displayed within the Table of Contents.

Rev. 2/23

# PUBLIC SUMMARY

# COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF SIGNATURE BANK

**December 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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## I. - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of Signature Bank ("Signature" 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 Bank's CRA performance based on an evaluation conducted as of December 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 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 Evaluation.

## II. - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated Signature according to the large banking institutions performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2019, 2020, and 2021. DFS assigned Signature a rating of "**2**," or "**Satisfactory**".

This rating is based on the following factors:

**A. Lending Test:** High Satisfactory

Signature's HMDA-reportable and small business lending activities were highly satisfactory in light of Signature's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. The Bank's high satisfactory rating of community development lending also demonstrates its commitment in meeting the credit needs of its communities.

1. Lending Activity: High Satisfactory

Signature's lending levels were highly satisfactory considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

Signature's average loan-to-deposit ("LTD") ratio for the evaluation period of 83.4% exceeded its peer group's average ratio of 78.4%.

2. Assessment Area Concentration: Outstanding

During the evaluation period, Signature originated 97.3% by number and 96.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an outstanding concentration of lending.

3. Geographic Distribution of Loans: High Satisfactory

Signature's origination of loans in census tracts of varying income levels demonstrated a highly satisfactory distribution of lending.

The Bank's distribution of HMDA-reportable loans in census tracts of varying income levels was outstanding, while its distribution of small business loans was just satisfactory resulting in an overall highly satisfactory distribution of lending.

4. Distribution by Borrower Characteristics: Needs to Improve

Signature's small business lending demonstrated a less than satisfactory distribution of loans among individuals of different income levels and businesses of different revenue sizes.

DFS evaluated Signature's distribution by borrower characteristics based solely on its small business lending, as the Bank's HMDA-reportable loans were primarily multifamily loans for which borrower income is not required for HMDA-reporting purpose. Signature's average rates of lending to small businesses with revenues of $1 million or less were 14.2% by number and 13.9% by dollar value of loans, well below the aggregate's rates of 39.7% and 20.6% for the evaluation period.

5. Community Development Lending: High Satisfactory

During the evaluation period, Signature originated $2 billion in community development loans and had $890.9 million outstanding from prior evaluation periods. This demonstrated a highly satisfactory level of community development lending.

A majority (66% by number) of the Bank's community development lending involved multifamily affordable housing properties and projects, providing affordable rental housing to LMI individuals and families throughout the five boroughs of New York City.

DFS in its CRA evaluation considers whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization credit under CRA contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions in accordance with DFS's industry letter "Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act", issued December 4, 2014. As a result, DFS disqualified 129 loans for a total of $492.8 million for unacceptably high numbers of housing code violations as reported by New York City's Department of Housing Preservation and Development and as reflected in high scores in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database, or for a greater than 30% reduction in affordable housing units since loan origination or for a lack of current rent rolls.

**B. Investment Test:** Low Satisfactory

1. Qualified Investments

During the evaluation period, Signature made $141.8 million in new qualified investments and had $214 million outstanding from prior evaluation periods. In addition, Signature made $2.6 million in qualified grants. This demonstrated a just satisfactory level of qualified investments and grants over the course of the evaluation period.

2. Innovativeness of Qualified Investments:

Signature did not make any innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

Signature's qualified investments exhibited a satisfactory responsiveness to the assessment area's credit and community development needs.

**C. Service Test:** High Satisfactory

1. Retail Banking Services: Low Satisfactory

Signature Bank has a just satisfactory branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

2. Community Development Services: High Satisfactory

Signature provided a highly satisfactory level of community development services. During the evaluation period, senior management and staff participated in 71 qualified community development services. These services included serving as board members of nonprofit organizations involved in various community development activities or providing financial education classes to LMI individuals.

*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 GRS Part 76.*

## III. - PERFORMANCE CONTEXT

### A. Institution Profile

Signature is a New York state-chartered commercial bank headquartered in New York, NY. In addition to New York State, the Bank also operates in California, Connecticut, and North Carolina.

Signature operates twenty-nine full-service branches within the New York metropolitan area including the following eight counties; New York (Manhattan), Bronx, Queens, Kings (Brooklyn), Richmond (Staten Island), Westchester, Nassau and Suffolk. In addition to its New York branches the Bank also operates five branches in California, one branch in Connecticut and two branches in North Carolina. Altogether, Signature operated 37 branches during the evaluation period.

The Bank offers a variety of business and personal banking products and services that include business and personal deposit accounts, multifamily and commercial real estate mortgage loans, working capital lines of credit, receivable and payable management for business clients, as well as online and mobile banking services.

Signature also provides other financial products and services via two wholly-owned subsidiaries: Signature Securities Group Corporation, a licensed broker-dealer and investment adviser that offers investment advisory, brokerage, wealth management, and insurance products; and Signature Financial LLC, a specialty finance company that offers financing and leasing products, including equipment loans and leases, and commercial marine finance.

In its Consolidated Report of Condition (the Call Report) as of December 31, 2021 filed with the Federal Deposit Insurance Corporation ("FDIC"), Signature reported total assets of $118.4 billion of which $64.4 billion, or 54.4% were net loans and leases. It also reported total deposits of $106.2 billion, resulting in a loan-to-deposit ratio of 60.7%. In the latest available comparative deposit data as of June 30, 2021, Signature had a market share of 3.3%, or 73.7 billion in a market of $2.2 trillion, ranking it 8th among 126 deposit-taking institutions in the assessment area.

The following table is a summary of Signature's loan portfolio based on the Schedule RC-C of the Bank's Call Reports as of December 31, 2019, 2020 and 2021:

| TOTAL GROSS LOANS OUTSTANDING | | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | |
| Loan Type | $000's | % | $000's | % | $000's | % |
| 1-4 Family Residential Mortgage Loans | 612,464 | 1.6 | 577,718 | 1.2 | 520,368 | 0.8 |
| Commercial & Industrial Loans | 9,274,409 | 23.5 | 18,374,687 | 37.2 | 32,829,436 | 50.2 |
| Commercial Mortgage Loans | 11,399,033 | 28.9 | 11,800,880 | 23.9 | 12,056,835 | 18.4 |
| Multifamily Mortgages | 15,092,557 | 38.2 | 15,163,816 | 30.7 | 16,070,996 | 24.6 |
| Consumer Loans | 179,042 | 0.5 | 199,473 | 0.4 | 235,124 | 0.4 |
| Construction Loans | 1,271,553 | 3.2 | 1,367,877 | 2.8 | 1,619,949 | 2.5 |
| Obligations of States & Municipalities | 539,127 | 1.4 | 670,071 | 1.4 | 709,077 | 1.1 |
| Other Loans | 113,922 | 0.3 | 75,644 | 0.2 | 193,208 | 0.3 |
| Lease financing receivables | 989,156 | 2.5 | 1,146,626 | 2.3 | 1,189,381 | 1.8 |
| Total Gross Loans | 39,471,263 | 100.0 | 49,376,792 | 100.0 | 65,424,374 | 100.0 |

As illustrated in the above table, Signature is primarily a commercial lender with a combined 93.2% of its loan portfolio in commercial and industrial loans (50.2%), multifamily mortgage loans (24.6%) and commercial mortgage loans (18.4%) as of December 31, 2021.

During the current 3-year evaluation period, the most significant increase was noted in commercial & industrial loans which went up to 50.2% of total loans as of December 31, 2021 compared to 23.5% in 2019 and 37.2% in 2021. On the other hand, multifamily lending declined to 24.6% in 2021 compared to 38.2% in 2019 and 30.7% in 2020.

*During this evaluation period, DFS examiners found no evidence of financial or legal impediments that had an adverse impact on Signature's ability to meet the credit needs of its community.*

## B. Assessment Area

Signature's New York assessment area consisted of eight counties: Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk and Westchester. The Bank's assessment area has remained unchanged since the prior evaluation.

There are 2,997 census tracts in the area, of which 309 are low-income, 692 are moderate-income, 1,033 are middle-income, 882 are upper-income and 81 are tracts with no income indicated.

| Assessment Area Census Tracts by Income Level | | | | | | | |
|---|---|---|---|---|---|---|---|
| County | NA | Low | Mod | Middle | Upper | Total | LMI % |
| Bronx | 7 | 140 | 99 | 60 | 33 | 339 | 70.5 |
| Kings | 14 | 95 | 260 | 230 | 162 | 761 | 46.6 |
| 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 |
| Nassau | 9 | 7 | 28 | 159 | 81 | 284 | 12.3 |
| Suffolk | 1 | 6 | 68 | 192 | 56 | 323 | 22.9 |
| Westchester | 5 | 7 | 26 | 40 | 145 | 223 | 14.8 |
| Total | 81 | 309 | 692 | 1,033 | 882 | 2,997 | 33.4 |

## C. Demographic & Economic Data

The assessment area had a population of 12,250,043 during the evaluation period. About 13.6% of the population were over the age of 65 and 19.2% were under the age of 16.

Of the 2,808,379 families in the assessment area, 28.1% were low-income, 16.2% were moderate-income, or a total of 45.3% in low- and moderate- income levels, while 17.2% were middle-income and 38.5% were upper-income families. There were 4,389,890 households in the assessment area, of which 15.9% had income below the poverty level and 3.5% were on public assistance.

The weighted average median family income ("MFI") in the assessment area was $85,421.

There were 4,829,707 housing units within the assessment area, of which 52.3% were one- to four-family units, and 47.4% were multifamily units. A majority (50.6%) of the housing units, were renter-occupied, while 40.3% were owner-occupied. Of the 2,442,178 renter-occupied housing units, 49.8% were in low- and moderate-income census tracts while 49.9% were in middle- and upper-income census tracts.

Of the 1,947,712 of owner-occupied housing units, 16.5% were in low- and moderate-income census tracts while 83.4% were in middle- and upper-income census tracts. The median age of the housing stock was 76 years, and the median home value in the assessment area was $518,692.

There were 1,617,869 non-farm businesses in the assessment area. Of these, 91.3% were businesses with reported revenues of less than or equal to $1 million, 3.4% reported revenues of more than $1 million and 5.4% did not report their revenues. Of all the businesses in the assessment area, 97.1% were businesses with less than fifty employees while 95.2% operated from a single location. The largest industries in the area were services (35.2%), followed by retail trade (11.3%) and finance, insurance & real estate (9.4%), while 28.7% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State and all counties in the Bank's assessment area increased significantly from 2019 to 2020 due to the outbreak of the COVID-19 pandemic at the beginning of 2020. Unemployment rates eased in Bronx County had the highest average unemployment rate at 11.7%, while Nassau County had the lowest at 5.5% average rate during the evaluation period.

| Assessment Area Unemployment Rate | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Statewide | Bronx | Kings | Queens | Richmond | New York | Nassau | Suffolk | Westchester |
| 2019 | 3.8 | 5.3 | 4.0 | 3.4 | 3.8 | 3.4 | 3.3 | 3.5 | 3.6 |
| 2020 | 10.0 | 16.0 | 12.5 | 12.5 | 10.6 | 9.5 | 8.4 | 8.5 | 8.4 |
| 2021 | 7.2 | 13.9 | 10.4 | 9.9 | 9.0 | 7.8 | 4.8 | 4.9 | 5.1 |
| **Average** | **7.0** | **11.7** | **9.0** | **8.6** | **7.8** | **6.9** | **5.5** | **5.6** | **5.7** |

## D. Community Information

DFS examiners conducted two community contact interviews to identify credit needs and opportunities within the Bank's assessment area. The first interview was with the director of an economic development organization in Brooklyn, NY. The organization supports economic development in its community by providing residents with entrepreneurial services and programs that equip them with the necessary tools to take charge of their finances. The second community contact interview was with a nonprofit organization that supports equitable economic development in the Bronx, by organizing and building coalitions, providing strategic community services and research, and supporting economic development policies that invest in people as much as they invest in places.

The director of the economic development organization identified the need for more bank branch locations, financial literacy and credit training programs especially in financially challenged communities. The contact also stated that Brownsville and East New York are experiencing the highest concentration of "house flipping" due to strong increases in real estate values in the area raising concerns of gentrification that may result in minority population getting displaced. The contact added that financial institutions in the area can help the communities by providing more grants to local community development organizations and investing into the communities.

The CEO of the nonprofit organization stated that the general banking and credit needs of the community are micro loans for small businesses that utilize flexible underwriting and programs that provide assistance with financial and business planning, especially for minority- and women-owned businesses. The contact also stated that the South Bronx, which has a history of poverty was especially hard hit by high unemployment due to business closures due the COVID-19 pandemic. Therefore, workforce training for the community is essential. In addition, the contact identified the need for affordable housing including multifamily housing projects that provide the residents with opportunities to rent and then own the unit.

## IV. - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated Signature under the large banking institutions performance criteria in accordance with Sections 76.7, 76.8, 76.9 and 76.10 of the GRS, which consist of the lending, investment and service tests. DFS also considered the following factors in assessing the Bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. 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 Signature helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. Signature submitted bank-specific information both as part of the evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2019, 2020, and 2021.

Examiners considered Signature's small business loans in evaluating factors (2), (3) and (4) of the lending test noted below and considered HMDA-reportable loans[1] in evaluating factors (2) and (3).

HMDA-reportable and small business loan data evaluated in this performance evaluation represented actual originations.

In its prior Performance Evaluation as of December 31, 2018, DFS assigned Signature a rating of "2," reflecting a "Satisfactory" record of helping to meet its community credit needs.

[1] Borrower income for multifamily loans is not required for HMDA reporting, therefore HMDA-reportable multifamily loans were not considered in evaluating factor (4)

**Current CRA Rating: Satisfactory**

**A. Lending Test**: High Satisfactory

The Bank's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity;
(2) Assessment Area Concentration;
(3) Geographic Distribution of Loans;
(4) Borrower Characteristics;
(5) Community Development Lending; and
(6) Flexible and/or Innovative Lending Practices.

Signature's HMDA-reportable and small business, and community development lending activities were highly satisfactory in light of Signature's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

1. Lending Activity: High Satisfactory
Signature's lending activity levels were highly satisfactory considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

Signature's average LTD ratio for the evaluation period of 83.4% exceeded its peer group's average ratio of 78.4%. Signature's quarterly LTD ratios started to notably decline in the fourth quarter of 2020, this was primarily due to a decrease in lending due to the COVID-19 pandemic. The peer group's quarterly LTD ratios showed a similar declining trend for the corresponding period.

The table below shows Signature's LTD ratios in comparison with the peer group's ratios for the 12 quarters of this evaluation period.

| Loan-to-Deposit Ratios | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2019 Q1 | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 | 2021 Q3 | 2021 Q4 | Avg. |
| Bank | 102.0 | 101.2 | 97.2 | 96.9 | 96.9 | 89.7 | 84.9 | 77.0 | 68.6 | 63.7 | 61.7 | 61.0 | 83.4 |
| Peer | 88.2 | 89.3 | 88.6 | 88.6 | 86.2 | 82.3 | 80.9 | 78.0 | 75.3 | 73.2 | 55.3 | 55.5 | 78.4 |

2. Assessment Area Concentration: Outstanding

During the evaluation period, Signature originated 97.3% by number and 96.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an outstanding concentration of lending.

*a. HMDA-Reportable Loans:*

During the evaluation period, Signature originated 99.2% by number and 96.6% by dollar value of its HMDA-reportable loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an outstanding concentration of lending.

*b. Small Business Loans:*

Signature originated 97.2% by number and 96.1% by dollar value of its small business loans within the assessment area during the evaluation period. This substantial majority of lending inside of its assessment area reflects an outstanding concentration of lending.

The following table shows the percentages of Signature's HMDA-reportable and small business loans originated inside and outside of the assessment area.

| Distribution of Loans Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Loan Type | Number of Loans | | | | | Loans in Dollars (in thousands) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | $ | % | $ | % | |
| HMDA-Reportable | | | | | | | | | | |
| 2019 | 303 | 98.7% | 4 | 1.3% | 307 | 1,686,054 | 98.8% | 21,000 | 1.2% | 1,707,054 |
| 2020 | 267 | 99.3% | 2 | 0.7% | 269 | 1,677,489 | 99.6% | 6,500 | 0.4% | 1,683,989 |
| 2021 | 279 | 99.6% | 1 | 0.4% | 280 | 2,230,855 | 93.0% | 168,750 | 7.0% | 2,399,605 |
| Subtotal | 849 | 99.2% | 7 | 0.8% | 856 | 5,594,398 | 96.6% | 196,250 | 3.4% | 5,790,648 |
| Small Business | | | | | | | | | | |
| 2019 | 898 | 93.9% | 58 | 6.1% | 956 | 202,442 | 90.4% | 21,475 | 9.6% | 223,917 |
| 2020 | 4,704 | 97.4% | 124 | 2.6% | 4,828 | 874,697 | 97.1% | 26,250 | 2.9% | 900,947 |
| 2021 | 3,980 | 97.7% | 95 | 2.3% | 4,075 | 718,150 | 96.6% | 25,135 | 3.4% | 743,285 |
| Subtotal | 9,582 | 97.2% | 277 | 2.8% | 9,859 | 1,795,289 | 96.1% | 72,860 | 3.9% | 1,868,149 |
| Grand Tota | 10,431 | 97.3% | 284 | 2.7% | 10,715 | 7,389,687 | 96.5% | 269,110 | 3.5% | 7,658,797 |

3. Geographic Distribution of Loans: High Satisfactory

Signature's origination of loans in census tracts of varying income levels demonstrated a highly satisfactory distribution of lending.

The Bank's distribution of HMDA-reportable loans in census tracts of varying income levels was outstanding, while its distribution of small business loans was just satisfactory resulting in an overall highly satisfactory distribution of lending.

a. HMDA-Reportable Loans:

The distribution of Signature's HMDA-reportable loans by the income level of the geography was outstanding.

During the evaluation period, Signature's average lending rates in LMI census tracts of 58.4% by number and 49.4% by dollar value of HMDA-reportable loans were well above the aggregate's 15.9% and 18.9%, respectively. In addition, Signature's performance compared favorably to renter-occupied housing demographics in the assessment area.

The following table provides a summary of the distribution of Signature's HMDA-reportable loans by the income level of the geography where the property was located.

| Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2019 | | | | | | | | | |
| Geographic | Bank | | | | Aggregate | | | | RO HUs |
| Income | # | % | $000's | % | # | % | $000's | % | % |
| Low | 85 | 28.1% | 392,775 | 23.3% | 4,595 | 2.9% | 6,216,645 | 5.8% | 18.8% |
| Moderate | 121 | 39.9% | 570,987 | 33.9% | 22,132 | 14.0% | 15,443,640 | 14.5% | 31.0% |
| LMI | 206 | 68.0% | 963,762 | 57.2% | 26,727 | 17.0% | 21,660,285 | 20.4% | 49.8% |
| Middle | 45 | 14.9% | 372,465 | 22.1% | 63,980 | 40.6% | 30,158,270 | 28.4% | 24.2% |
| Upper | 52 | 17.2% | 349,827 | 20.7% | 66,685 | 42.3% | 54,094,445 | 50.9% | 25.7% |
| Unknown | | 0.0% | | 0.0% | 212 | 0.1% | 462,010 | 0.4% | 0.3% |
| **Total** | **303** | | **1,686,054** | | **157,604** | | **106,375,010** | | |
| 2020 | | | | | | | | | |
| Geographic | Bank | | | | Aggregate | | | | RO HUs |
| Income | # | % | $000's | % | # | % | $000's | % | % |
| Low | 43 | 16.1% | 212,919 | 12.7% | 4,930 | 2.4% | 5,188,150 | 4.1% | 18.8% |
| Moderate | 98 | 36.7% | 455,632 | 27.2% | 25,341 | 12.3% | 16,748,165 | 13.2% | 31.0% |
| LMI | 141 | 52.8% | 668,551 | 39.9% | 30,271 | 14.7% | 21,936,315 | 17.3% | 49.8% |
| Middle | 50 | 18.7% | 232,865 | 13.9% | 84,985 | 41.2% | 39,134,265 | 30.8% | 24.2% |
| Upper | 76 | 28.5% | 776,073 | 46.3% | 90,801 | 44.0% | 65,658,625 | 51.7% | 25.7% |
| Unknown | | 0.0% | | 0.0% | 242 | 0.1% | 238,290 | 0.2% | 0.3% |
| **Total** | **267** | | **1,677,489** | | **206,299** | | **126,967,495** | | |
| 2021 | | | | | | | | | |
| Geographic | Bank | | | | Aggregate | | | | RO HUs |
| Income | # | % | $000's | % | # | % | $000's | % | % |
| Low | 58 | 20.8% | 456,058 | 20.4% | 6,670 | 2.7% | 7,130,100 | 4.5% | 18.8% |
| Moderate | 91 | 32.6% | 673,383 | 30.2% | 33,967 | 13.5% | 23,293,565 | 14.8% | 31.0% |
| LMI | 149 | 53.4% | 1,129,441 | 50.6% | 40,637 | 16.2% | 30,423,665 | 19.3% | 49.8% |
| Middle | 59 | 21.1% | 673,994 | 30.2% | 100,420 | 39.9% | 48,607,170 | 30.9% | 24.2% |
| Upper | 69 | 24.7% | 413,107 | 18.5% | 110,180 | 43.8% | 78,199,490 | 49.7% | 25.7% |
| Unknown | 2 | 0.7% | 14,313 | 0.6% | 310 | 0.1% | 175,860 | 0.1% | 0.3% |
| **Total** | **279** | | **2,230,855** | | **251,547** | | **157,406,185** | | |
| GRAND TOTAL | | | | | | | | | |
| Geographic | Bank | | | | Aggregate | | | | RO HUs |
| Income | # | % | $000's | % | # | % | $000's | % | % |
| Low | 186 | 21.9% | 1,061,752 | 19.0% | 16,195 | 2.6% | 18,534,895 | 4.7% | |
| Moderate | 310 | 36.5% | 1,700,002 | 30.4% | 81,440 | 13.2% | 55,485,370 | 14.2% | |
| LMI | 496 | 58.4% | 2,761,754 | 49.4% | 97,635 | 15.9% | 74,020,265 | 18.9% | |
| Middle | 154 | 18.1% | 1,279,324 | 22.9% | 249,385 | 40.5% | 117,899,705 | 30.2% | |
| Upper | 197 | 23.2% | 1,539,007 | 27.5% | 267,666 | 43.5% | 197,952,560 | 50.7% | |
| Unknown | 2 | 0.2% | 14,313 | 0.3% | 764 | 0.1% | 876,160 | 0.2% | |
| **Total** | **849** | | **5,594,398** | | **615,450** | | **390,748,690** | | |

b. Small Business Loans:

The distribution of Signature's small business loans among census tracts of varying income levels was just satisfactory.

Signature's average rates of lending in LMI geographies were 18.4% by number and 20.4% by dollar value during the evaluation period. The Bank's average rate of lending by number was below the aggregate's rate of 24% while its average rate by dollar value was comparable to the aggregate's rate of 20.4%.

The following table provides a summary of the distribution of Signature's small business loans by the income level of the geography where the business was located.

| Distribution of Small Business Lending by Geographic Income of the Census Tract | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | | | |
| **Geographic Income** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Low | 65 | 7.2% | 19,297 | 9.5% | 26,481 | 6.5% | 662,990 | 5.8% | 6.1% |
| Moderate | 190 | 21.2% | 44,589 | 22.0% | 71,544 | 17.5% | 1,861,909 | 16.2% | 17.9% |
| LMI | 255 | 28.4% | 63,886 | 31.6% | 98,025 | 24.0% | 2,524,899 | 22.0% | 23.9% |
| Middle | 200 | 22.3% | 58,526 | 28.9% | 121,526 | 29.7% | 3,241,578 | 28.2% | 30.5% |
| Upper | 429 | 47.8% | 75,504 | 37.3% | 182,381 | 44.6% | 5,314,657 | 46.3% | 43.8% |
| Unknown | 14 | 1.6% | 4,526 | 2.2% | 7,122 | 1.7% | 400,131 | 3.5% | 1.8% |
| **Total** | **898** | | **202,442** | | **409,054** | | **11,481,265** | | |
| **2020** | | | | | | | | | |
| **Geographic Income** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Low | 316 | 6.7% | 59,111 | 6.8% | 25,616 | 6.0% | 1,012,966 | 4.7% | 6.2% |
| Moderate | 497 | 10.6% | 106,525 | 12.2% | 72,703 | 16.9% | 3,102,416 | 14.5% | 17.8% |
| LMI | 813 | 17.3% | 165,636 | 18.9% | 98,319 | 22.9% | 4,115,382 | 19.2% | 24.0% |
| Middle | 1,171 | 24.9% | 216,103 | 24.7% | 129,109 | 30.1% | 5,947,633 | 27.7% | 29.6% |
| Upper | 2,527 | 53.7% | 449,132 | 51.3% | 194,407 | 45.2% | 10,664,028 | 49.7% | 44.6% |
| Unknown | 193 | 4.1% | 43,826 | 5.0% | 7,803 | 1.8% | 729,919 | 3.4% | 1.8% |
| **Total** | **4,704** | | **874,697** | | **429,638** | | **21,456,962** | | |
| **2021** | | | | | | | | | |
| **Geographic Income** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Low | 218 | 5.5% | 42,052 | 5.9% | 31,634 | 6.4% | 913,815 | 5.1% | 6.8% |
| Moderate | 477 | 12.0% | 95,306 | 13.3% | 91,817 | 18.7% | 2,798,142 | 15.7% | 18.8% |
| LMI | 695 | 17.5% | 137,358 | 19.1% | 123,451 | 25.1% | 3,711,957 | 20.8% | 25.6% |
| Middle | 992 | 24.9% | 185,707 | 25.9% | 153,003 | 31.1% | 5,028,283 | 28.2% | 30.2% |
| Upper | 2,165 | 54.4% | 370,096 | 51.5% | 207,307 | 42.1% | 8,497,687 | 47.7% | 42.7% |
| Unknown | 128 | 3.2% | 24,989 | 3.5% | 8,335 | 1.7% | 576,514 | 3.2% | 1.6% |
| **Total** | **3,980** | | **718,150** | | **492,096** | | **17,814,441** | | |
| **GRAND TOTAL** | | | | | | | | | |
| **Geographic Income** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Low | 599 | 6.3% | 120,460 | 6.7% | 83,731 | 6.3% | 2,589,771 | 5.1% | |
| Moderate | 1,164 | 12.1% | 246,420 | 13.7% | 236,064 | 17.7% | 7,762,467 | 15.3% | |
| LMI | 1,763 | 18.4% | 366,880 | 20.4% | 319,795 | 24.0% | 10,352,238 | 20.4% | |
| Middle | 2,363 | 24.7% | 460,336 | 25.6% | 403,638 | 30.3% | 14,217,494 | 28.0% | |
| Upper | 5,121 | 53.4% | 894,732 | 49.8% | 584,095 | 43.9% | 24,476,372 | 48.2% | |
| Unknown | 335 | 3.5% | 73,341 | 4.1% | 23,260 | 1.7% | 1,706,564 | 3.4% | |
| **Total** | **9,582** | | **1,795,289** | | **1,330,788** | | **50,752,668** | | |

4. Distribution by Borrower Characteristics: Needs to Improve

Signature's small business lending demonstrated a less than satisfactory distribution of loans among businesses of different revenue sizes.

As indicated in the scope of lending test, DFS evaluated Signature's distribution by borrower characteristics based solely on its small business lending, as the Bank's HMDA-reportable loans were primarily multifamily loans for which borrower income is not required for HMDA-reporting purposes.

*a. Small Business Loans:*

Signature's small business lending demonstrated a less than satisfactory distribution of loans among businesses of different revenue sizes.

During the evaluation period, Signature's average rates of lending to small businesses with revenues of $1 million or less were 14.2% by number and 13.9% hy dollar value of loans. The Bank's rates were significantly below the aggregate's rates of 39.7% and 20.6% respectively. Signature's lending rates to small businesses with revenues of $1 million or less showed a significant decline from the prior evaluation period, when the Bank's average rates of lending were 21.1% hy number and 38.3% by dollar value. This declining trend commenced in 2019, prior to the origination of any Small Business Administration (SBA) backed Payment Protection Program (PPP) loans.

In 2020, Signature originated 4,339 PPP loans for a total of $758.3 million in its assessment area. In 2021, Signature originated 3,192 PPP loans for a total of $521.4 million in its assessment area. As PPP loans do not require the collection of revenue for approval, they were excluded from the "Distribution by Borrower Characteristics" criterion so not to skew the results of the analysis. The origination of PPP loans is considered to be responsive to the needs of small businesses for CRA purposes.

The following table provides a summary of the distribution of Signature's small business loans by the revenue size of the business.

| Distribution of Small Business Lending by Revenue Size of Business | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | | | |
| **Rev. Size** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Rev. <= $1MM | 139 | 15.5% | 35,458 | 17.5% | 186,626 | 45.6% | 3,241,826 | 28.2% | 88.1% |
| Rev. > $1MM | 633 | 70.5% | 129,292 | 63.9% | | | | | 5.8% |
| Rev. Unknown | 126 | 14.0% | 37,692 | 18.6% | | | | | 6.1% |
| **Total** | **898** | | **202,442** | | **409,054** | | **11,481,265** | | |
| **2020** | | | | | | | | | |
| **Rev. Size** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Rev. <= $1MM | 48 | 13.2% | 9,686 | 8.3% | 153,404 | 35.7% | 3,933,685 | 18.3% | 90.7% |
| Rev. > $1MM | 241 | 66.0% | 80,422 | 69.1% | | | | | 4.4% |
| Rev. Unknown | 76 | 20.8% | 26,240 | 22.6% | | | | | 4.9% |
| **Total** | **365** | | **116,348** | | **429,638** | | **21,456,962** | | |
| **2021** | | | | | | | | | |
| **Rev. Size** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Rev. <= $1MM | 104 | 13.2% | 26,460 | 13.4% | 187,849 | 38.2% | 3,301,651 | 18.5% | 91.3% |
| Rev. > $1MM | 254 | 32.2% | 66,790 | 33.9% | | | | | 3.4% |
| Rev. Unknown | 430 | 54.6% | 103,511 | 52.6% | | | | | 5.2% |
| **Total** | **788** | | **196,761** | | **492,096** | | **17,814,441** | | |
| **GRAND TOTAL** | | | | | | | | | |
| **Rev. Size** | **Bank** | | | | **Aggregate** | | | | **Bus.Dem.** |
| | # | % | $000's | % | # | % | $000's | % | % |
| Rev. <= $1MM | 291 | 14.2% | 71,604 | 13.9% | 527,879 | 39.7% | 10,477,162 | 20.6% | |
| Rev. > $1MM | 1,128 | 55.0% | 276,504 | 53.6% | | | | | |
| Rev. Unknown | 632 | 30.8% | **167,443** | 32.5% | | | | | |
| **Total** | **2,051** | | 515,551 | | **1,330,788** | | **50,752,668** | | |

5. Community Development Lending: High Satisfactory

During the evaluation period, Signature originated $2 billion in community development loans and had $890.9 million outstanding from prior evaluation periods. This demonstrated a highly satisfactory level of community development lending.

A majority (66% by number) of the Bank's community development loans were made to purchase or refinance multifamily properties that provided affordable housing to LMI individuals and families throughout the five boroughs of New York City.

DFS in its CRA evaluation considers whether a bank has met its responsibility to ensure that a multifamily loan submitted for affordable housing or neighborhood revitalization credit under CRA contributes to, and does not undermine, the availability of affordable housing or neighborhood conditions in accordance with DFS's industry letter "Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act", issued December 4, 2014. As a result, of the loans Signature submitted for CRA credit for affordable housing, DFS disqualified the following loans:

- Seven multifamily loans totaling $33.2 million, as the properties had unacceptably high numbers of housing code violations, as reported by New York City's Department of Housing Preservation and Development and as reflected in high scores in the University Neighborhood Housing Program's Building Indicator Project ("BIP") database. These sources indicated that the financed properties were in significant physical or financial distress and thus not creditable for helping to promote or provide affordable housing; and

- 122 multifamily community development loans totaling $459.6 million. Of these, DFS disqualified 30 loans for $141.2 million due to a greater than 30% reduction in affordable housing units since loan origination and 92 loans for $318.4 million for a lack of current rent rolls.

| Community Development Loans | | | | |
|---|---|---|---|---|
| | This Evaluation Period | | Outstandings from Prior Evaluation Periods | |
| Purpose | # of Loans | $000 | # of Loans | $000 |
| Affordable Housing | 415 | 1,400,695 | 227 | 890,940 |
| Economic Development | | | | |
| Community Services | 4 | 44,100 | | |
| Revitalization/Stabilization | 209 | 525,246 | | |
| Total | 628 | 1,970,041 | 227 | 890,940 |

Below are highlights of Signature 's community development lending.

- The Bank during the evaluation period made 415 loans totaling $1.4 billion that DFS qualified as affordable housing. These loans were primarily for the acquisition or refinance of multifamily properties located within New York City.

- In 2020 and 2021, Signature originated 111 Paycheck Protection Program ("PPP") loans, that DFS qualified for community development loans and totaled $231.4 million within its assessment area. These loans were made to various businesses in LMI census tracts providing needed funding during the COVID-19 pandemic and were not included in the lending test analysis.

- Signature extended a $35 million line of credit to a hospital located in Nassau County. The hospital provided pandemic-related care to the community including a mobile COVID-19 testing and vaccination unit.

- Signature extended lines of credit totaling $9.1 million to three nonprofit organizations that provide healthcare and legal services to LMI individuals and families in Bronx, Kings and Nassau counties.

**Flexible and/or Innovative Lending Practices:**

Signature made 9,000 SBA PPP loans totaling $1.7 billion in New York State, providing essential funding to businesses to help them meet payroll and keep their workforce employed during the COVID-19 pandemic. The vast majority of these loans were in the amount of $1 million or less and included in the lending test analysis. Of the PPP loans greater than $1 million 111 qualified as community development loans.

**B. Investment Test**: Low Satisfactory

The Department evaluated Signature's investment performance pursuant to the following criteria:
(1) The dollar amount of qualified investments;
(2) The innovativeness or complexity of qualified investments; and
(3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.

1. Qualified Investments

During the evaluation period, Signature made $141.8 million in new qualified investments and had $214 million outstanding from prior evaluation periods. In addition, the Bank made $2.6 million in qualified grants. This demonstrated a just satisfactory level of qualified investments and grants over the course of the evaluation period.

Signature's level of new investments of $141.8 million was decline from the prior evaluation period's $247.8 million, as on an annual basis the Bank made $47.3million during the current evaluation period (3-years) compared to $62 million during the prior evaluation period (4-years).

The Bank continued to primarily make investments in Low Income Housing Tax Credit ("LIHTC") projects, supporting affordable housing. LITHC investments represented 93.5% of Signature's new investments during the evaluation period and were made through proprietary and national funds for new construction and rehabilitation of affordable housing units in New York..

| Qualified Investments and Grants | | | | |
|---|---|---|---|---|
| | This Evaluation Period | | Outstandings Prior Evaluation Periods | |
| CD Investments | # of Inv. | $000 | # of Inv. | $000 |
| Affordable Housing | 7 | 132,661 | 15 | 209,989 |
| Economic Development | 3 | 9175 | | |
| Community Services | | | | 4,000 |
| Revitalization/Stabilization | | | | |
| Total | 10.00 | 141,836 | 15 | 213,989 |
| CD Grants | # of Grants | $000 | Not Applicable | |
| Affordable Housing | 39 | 153 | | |
| Economic Development | 35 | 830 | | |
| Community Services | 271 | 1,593 | | |
| Revitalization/Stabilization | 22 | 53 | | |
| Total | 367 | 2,629 | | |

Below are highlights of Signature's community development investment and grants:

*Investments*
Signature invested $132.7 million in various LIHTC eligible low-income multifamily projects throughout New York. The housing projects offer affordable housing for seniors at or below 80% of the area median income ("AMI") and individuals or families of low- and moderate-income.

*Grants*
Signature donated a total of $750,000 to a nonprofit organization aimed at improving the lives of New Yorkers across all walks of life in all five boroughs. The organization promotes mental health services and works to provide workforce development opportunities for young New Yorkers.

Signature donated $526,500 to a nonprofit organization that provides food, health care and counseling programs, as well as providing assistance in obtaining healthcare insurance for low-income individuals.

Signature donated $86,200 to a nonprofit organization which provides scholarships for LMI students to attend private high schools and helps guide them in college preparation and placement.

2. Innovativeness of Qualified Investments:

Signature did not make innovative investments to support community development.

Signature Bank invested in LIHTC projects supporting affordable low- and moderate-income housing projects. While complex, LITHC investments are not considered innovative.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

Signature's qualified investments exhibited a satisfactory responsiveness to the assessment area's credit and community development needs.

**C. Service Test:** High Satisfactory

The Department evaluated Signature's retail service performance pursuant to the following criteria:
(1) The current distribution of the banking institution's branches;
(2) The institution's record of opening and closing branches;
(3) The availability and effectiveness of alternative systems for delivering retail services; and
(4) The range of services provided.

The Department Signature's community development service performance pursuant to the following criteria:
(1) The extent to which the banking institution provides community development services; and
(2) The innovativeness and responsiveness of community development services.

1. Retail Banking Services: Low Satisfactory

Signature Bank has a just satisfactory branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

*a. Current distribution of the banking institution's branches:*

Signature has branches distributed across the eight counties of its assessment area and operates twenty-nine full-service branches , which represents no change in the number of hranches from the prior evaluation period. Three branches are located in LMI geographies, one each in Bronx, Kings and Queens counties. Particularly in New York County, branches located in upper-income census tracts and business areas with no median family income available ("N/A") are accessihle by mass transit providing adequate accessibility to a range of products and services to LMI individuals and small businesses.

| Distribution of Branches within the Assessment Area | | | | | | | |
|---|---|---|---|---|---|---|---|
| **County** | **N/A** # | **Low** # | **Moderate** # | **Middle** # | **Upper** # | **Total** # | **LMI** % |
| **Bronx** | | 1 | | | | 1 | 100% |
| **Kings** | | 1 | | 2 | 1 | 4 | 25% |
| **Queens** | | | 1 | 2 | 1 | 4 | 25% |
| **New York** | 3 | | | | 6 | 9 | 0% |
| **Richmond** | | | | 1 | 1 | 2 | 0% |
| **Nassau** | | | | 3 | 1 | 4 | 0% |
| **Suffolk** | | | | 1 | 2 | 3 | 0% |
| **Westchester** | | | | | 2 | 2 | 0% |
| **Total** | **3** | **2** | **1** | **9** | **14** | **29** | **10%** |

*b. Record of opening and closing branches:*

Signature's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, including LMI geographies or LMI individuals.
There were no branch openings or closings during the evaluation period. Signature did relocate four branches located in Bronx, New York and Kings counties, hut this did not affect the number (3) of branches located in LMI census tracts.

*c. Availability and effectiveness of alternative systems for delivering retail services:*

Signature's delivery systems are accessible to significant portions of the Bank's assessment area, including LMI geographies and individuals.

Of the Bank's 29 full-service branches, 12 have an ATM. Three of the ATM's are in branches located in Queens County one of these branches is in a moderate-income census tract. The remaining ATMs are located as follows: three in Nassau, two in New York, two in Suffolk, and one each in Richmond and Westchester counties. The other 17 branches have no ATMs.

*d. Range of services provided:*

Signature's retail services meet the convenience and accessibility needs of its assessment area, including LMI geographies and individuals.

Regular business hours for branch operations are typically 8:30 A.M. to 4:00 P.M., Monday through Friday. During these hours customers can connect with a client care representative and individuals with speech or hearing disabilities have a dedicated line for assistance.

The Bank also offers alternative delivery systems including online and mobile banking, remote official checks and deposit capture, lockbox services and real time digital payments for their business customers.

2. Community Development Services: High Satisfactory

Signature provided a highly satisfactory level of community development services. During the evaluation period, senior management and staff participated in 71 qualified community development services. These services included serving as board members of nonprofit organizations involved in various community development activities or providing financial education classes to LMI individuals.

| **Community Development Services** | |
|---|---|
| **Activity Type** | **Number of Activities** |
| On-Going Board & Committee Memberships | 21 |
| Technical Assistance | 7 |
| Seminars | 1 |
| Financial Education | 41 |
| Other Services | 1 |
| **Total Community Development Services** | **71** |

Below are highlights of Signature's community development services.

- Signature conducted financial education classes through its First Time Investor Program ("FTIP"). The program is geared to United States veterans and LMI individuals seeking to educate themselves on the process of saving, investing, and growing their personal wealth. FTIP consists of a 7-session course covering investment topics such as stocks, bonds, mutual funds, IRAs, retirement plan vehicles and insurance. Program participants invest $500 of their own funds and the Bank provides an additional $1,000 to open an individual securities account with Signature Securities Group ("SSG"). In addition, participants are assigned to an SSG broker, who provides two years of fee free services. As of the December 31, 2021, 631 SSG accounts have been opened by participants that met the income eligibility criteria and made a deposit. The Bank has provided $480,000 in matching funds. Currently, there is a total of $816,071 held in 293 active SSG accounts. In addition, the Bank provided $72,190 in *Wall Street Journal* subscriptions and $10,000 in estimated SSG broker fees waived annually.

- Several senior executive officers of Signature including a senior vice president, a group director and a board member serve on the boards of several nonprofit organizations engaged in affordable housing and/or economic development activities.
- The Bank established Signature Scholars Program to provide college prep classes to LMI students whose parents cannot afford private tutoring and coaching for their children. Signature partnered with two nonprofit organizations to support such services for college-bound students.
- Signature collaborated with a local nonprofit organization to sponsor IRS's Volunteer Income Tax Assistance ("VITA") workshops conducted remotely for low-to-moderate income filers in 2021.
- The Bank partnered with a nonprofit organization providing free financial literacy workshops to help New York City high school students to educate and empower themselves through the prudent and informed management of their financial resources.

## D. Additional Factors

The following factors were also considered in assessing Signature's record of performance.

1. The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

The Board of Directors have appointed the CRA, Fair Lending and Consumer Compliance Committee to implement and monitor Signature's CRA and Customer Management Services programs to ensure compliance with federal and state requirements. The Committee meets at least three times a year and address community credit needs and review lending, investment and grants opportunities.

The Bank's CRA program is primarily administered by the community development department, which consists of the Director, Assistant Director, and Community Development Liaison. The community development director reports to the Bank's Vice Chairman and Chief Operating Officer. Additionally, the director of community development presents an annual CRA report to the Bank's Board of Directors.

2. 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 examiners did not note practices by Signature intended to discourage applications for the types of credit offered by Signature.

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

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

3. 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.*

  Signature maintains relationships with community-based organizations within its assessment area. Bank management and staff offer lending, investments, grants, and technical assistance and participate in discussions on issues of local importance. Members of the Community Development team sit on the boards of affordahle housing and economic development nonprofit organizations.

  In 2019, Signature hired a Community Development Liaison to serve as the Bank's intermediary for community and tenant organizations to address issues with multifamily buildings and affordable housing

  Additionally, the Bank actively participates in a CRA Directors roundtable and attends various community conferences and events to keep up to date on the needs of the community and any new CRA regulatory updates.

- *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*

  Signature does not engage in marketing for any of its retail or commercial products. Product information is available on the Bank's website.

- *Comment Letters received with Respect to CRA*

  DFS received two comment letters from nonprofit organizations that advocates for affordable housing in New York City. DFS considered the information contained in the letter in its performance evaluation. Please refer to Signature's CRA Public File, for additional information regarding the comment letters.

4. Other factors that in the judgment of the Superintendent bear upon the extent to which Signature is helping to meet the credit needs of its entire community

DFS examiners noted no other factors.

## V - 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.

**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 |

**LMI Geographies**

"LMI geographies" means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas ("BNAs") and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

**LMI Borrowers**

"LMI borrowers" means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instanees, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council ("FFIEC").

**LMI Individuals/Persons**

"LMI individuals" or "LMI persons" means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

**LMI Penetration Rate**

"LMI penetration rate" means the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

**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.

**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%. The program officially ended May 31, 2021.

**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, hattered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue honds 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.

**<u>Small Business Loan</u>**

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