



**GREATER ROCHESTER  
COMMUNITY REINVESTMENT COALITION  
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ROCHESTER, NEW YORK 14614**

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September 9, 2008

Office of the Comptroller of the Currency  
Large Bank Supervision  
250 E Street, SW  
Washington DC 20019

Attention: Mark Hotz, Lead Examiner, KeyBank N.A.

Via U.S. Mail and email: [cindy.hausch-booth@occ.treas.gov](mailto:cindy.hausch-booth@occ.treas.gov)

**RE: KeyBank, N.A. CRA Exam**

Dear Mr. Hotz:

I am writing to you on behalf of the Greater Rochester Community Reinvestment Coalition (GRCRC) to submit comments regarding KeyBank's CRA Exam conducted by the Office of the Comptroller of the Currency.

GRCRC was convened in 1993 to generate discussion about the lending patterns in Rochester. Since then, the Coalition or its convenor, Empire Justice Center, has released ten analyses of home mortgage, small business and subprime lending data.<sup>1</sup> We have used the analyses to identify strengths and weaknesses in lending patterns and to generate ongoing discussion with the banks in question. The Coalition also submits comments, based on the data, to the appropriate State and Federal regulators who have oversight of the banks.

GRCRC has a membership of over 30 locally based not-for-profits and individuals. GRCRC monitors the community reinvestment lending of Bank of America, Canandaigua National Bank, Citizens Bank, HSBC, JP Morgan Chase and M&T Bank. Periodically, we comment on the community reinvestment commitment of KeyBank.

KeyBank (Key) is important to the Rochester metropolitan area. It is the sixth largest depository institution serving the area. As of June 20, 2007, Key had \$587.2 million in deposits at its 14 offices in the Rochester MSA and almost 5 percent of the market.<sup>2</sup>

GRCRC provided Catherine Braniecki, VP, East Regional Manager, CRA Compliance at KeyBank with a draft of its comment letter for feedback. Ms. Braniecki sent comments via email and spoke with Barbara van Kerkhove via phone about the letter and Key initiatives. This

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<sup>1</sup> Our most recent analysis, "Paying More for the American Dream: The Subprime Shakeout and Its Impact on Lower-Income and Minority Communities" is of the 2006 HMDA data and can be found at: <http://www.empirejustice.org/content.asp?contentid=3051>.

<sup>2</sup> From the FDIC Marketshare Report, as found at: <http://www2.fdic.gov/sod/sodMarketBank.asp?barItem=2>

feedback is incorporated into this comment letter.

Since the Rochester MSA was a limited scope area during the last exam, this comment letter will be shorter than our regular comment letter, focusing mainly on mortgage and small business lending with a small section on community development activities.

## **KEYBANK'S HMDA LENDING IN MSA and UNDERSERVED COMMUNITIES**

We examine lending from 2004-2007 to capture lending changes for the entire exam period.

This section is divided into the following categories:

- Total mortgage originations
- Total dollar amount lending
- Home purchase mortgage originations
- Marketshare comparisons
- Application and denial information for total lending and home purchase lending

### **Key's Total Mortgage Lending**

#### Total Loans

In 2007, KeyBank originated 132 loans in the Rochester MSA compared to 455 loans in 2004, a decrease of 71 percent.<sup>3</sup>

As seen in the table below, there was a **71 percent decrease** in the number of loans made by Key in the Rochester NY MSA between 2004 and 2007. In comparison lending:

- **Decreased by 81 percent** in the city.
- **Decreased by 75 percent** among **Black/Hispanic households**.
- **Decreased by 76 percent** among **low-moderate income households**.
- **Decreased by 83 percent** in **low-moderate income census tracts**
- **Decreased by 85 percent** in **minority census tracts**.

We are very concerned about Key's dramatic decline in lending in the MSA and in the Rochester area's traditionally underserved communities, particularly as lending in the underserved communities declined at rates greater than the overall MSA. Moreover, a substantial portion of Key's decline in lending occurred before 2007.

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<sup>3</sup> Empire Justice Center obtains most of its data from HMDA Raw Data/LAR CD-ROMs purchased from the FFIEC. KeyBank provided us with its 2007 Raw HMDA data.

| Key Total Mortgage Originations 2004-2007 |       |      |      |      |          |          |          |          |
|---|-------|------|------|------|----------|----------|----------|----------|
| Rochester, NY MSA                         |       |      |      |      |          |          |          |          |
| (1-4 family site-built units, all liens)  |       |      |      |      |          |          |          |          |
|   |       |      |      |      | 06-07    | 06-07    | 04B-07   | 04B-07   |
|   | 2004B | 2005 | 2006 | 2007 | # change | % change | # change | % change |
| MSA                                       | 455   | 397  | 247  | 132  | -115     | -47%     | -323     | -71%     |
| City                                      | 104   | 78   | 41   | 20   | -21      | -51%     | -84      | -81%     |
| BI/His HH MSA                             | 59    | 49   | 26   | 15   | -11      | -42%     | -44      | -75%     |
| LM HH MSA                                 | 187   | 178  | 111  | 44   | -67      | -60%     | -143     | -76%     |
| LM CT MSA                                 | 116   | 98   | 54   | 20   | -34      | -63%     | -96      | -83%     |
| Minority CT                               | 52    | 45   | 18   | 8    | -10      | -56%     | -44      | -85%     |
|   |       |      |      |      |          |          |          |          |
|   |       |      |      |      | AFI      |          |          |          |
| % of loans in:                            | 2004B | 2005 | 2006 | 2007 | 2006     |          |          |          |
| City                                      | 23%   | 20%  | 17%  | 15%  | 16%      |          |          |          |
| BI/His HH MSA                             | 13%   | 12%  | 11%  | 11%  | 8%       |          |          |          |
| LM HH MSA                                 | 41%   | 45%  | 45%  | 33%  | 38%      |          |          |          |
| LM CT MSA                                 | 25%   | 25%  | 22%  | 15%  | 17%      |          |          |          |
| Minority CT                               | 11%   | 11%  | 7%   | 6%   | 8%       |          |          |          |

The declines in lending to underserved communities in the Rochester area led to decreased proportions of Key's lending going to all of the five underserved areas between 2004 and 2007 (the bottom section of the table above). Of the 132 loans Key made in 2007,

- **15 percent** were in the **city** compared to 23 percent in 2004
- **11 percent** were to **Black and Hispanic households** compared to 13 percent in 2004
- **33 percent** were to **low-moderate income households** compared to 41 percent in 2004
- **15 percent** were in **low-moderate income census tracts** compared to 25 percent in 2004
- **6 percent** were in **minority census tracts** compared to 11 percent in 2004

We also compared Key's 2006 distribution of total lending in underserved communities to that of all financial institutions (AFI) (as AFI for 2007 is not available yet). Key's distribution of total loans to underserved communities exceeds that for all financial institutions in all areas except for minority census tracts.

#### Total Dollar Amount Lending

In 2007, KeyBank originated a total of \$8 million in mortgage loans for 1-4 family units (no manufactured housing). As seen by the table below, this was \$11.7 million or 59 percent less than Key's lending in 2004. Much of this decline in the dollar volume of lending occurred before 2007. Between 2006 and 2007, Key's dollar volume of lending declined by \$3.1 million or 28 percent, so over two-thirds of the decline occurred between 2004 and 2006.

In addition to the decline in the Rochester MSA as a whole, the total dollar amount in loans originated by Key decreased dramatically in every underserved category. Key's dollar volume of lending **decreased by 59 percent** in the Rochester MSA between 2004 and 2007. In comparison dollar volume lending:

- **Decreased by 60 percent** in the city.
- **Decreased by 65 percent** among **Blacks/Hispanic households**.
- **Decreased by 61 percent** among **low-moderate income households**.
- **Decreased by 84 percent** in **low-moderate income census tracts**.
- **Decreased by 78 percent** in **minority census tracts**.

| Key Dollar Amount HMDA Lending 2004-2007   |          |          |          |         |          |          |           |          |
|--|----------|----------|----------|---------|----------|----------|-----------|----------|
| Rochester, NY MSA  |          |          |          |         |          |          |           |          |
| All HMDA loans (Dollar amount originations (in thousands), 1-4 family site-built units, all liens) |          |          |          |         |          |          |           |          |
| Aggregate Amount of Loans (000's)  |          |          |          |         | 06-07    | 06-07    | 04B-07    | 04B-07   |
| HMDA DATA  | 2004B    | 2005     | 2006     | 2007    | # change | % change | # change  | % change |
| MSA  | \$19,794 | \$19,954 | \$11,164 | \$8,049 | -\$3,115 | -28%     | -\$11,745 | -59%     |
| City   | \$3,005  | \$2,229  | \$1,489  | \$1,194 | -\$295   | -20%     | -\$1,811  | -60%     |
| BI/His HH MSA  | \$1,987  | \$1,959  | \$1,183  | \$703   | -\$480   | -41%     | -\$1,284  | -65%     |
| LM HH MSA  | \$6,384  | \$6,948  | \$4,266  | \$2,514 | -\$1,752 | -41%     | -\$3,870  | -61%     |
| LM CT MSA  | \$3,486  | \$3,654  | \$1,918  | \$573   | -\$1,345 | -70%     | -\$2,913  | -84%     |
| Minority CT  | \$1,403  | \$1,303  | \$684    | \$304   | -\$380   | -56%     | -\$1,099  | -78%     |
|  |          |          |          |         | AFI      |          |           |          |
| % of loans in:   | 2004B    | 2005     | 2006     | 2007    | 2006     |          |           |          |
| City   | 15%      | 11%      | 13%      | 15%     | 11%      |          |           |          |
| BI/His HH MSA  | 10%      | 10%      | 11%      | 9%      | 6%       |          |           |          |
| LM HH MSA  | 32%      | 35%      | 38%      | 31%     | 27%      |          |           |          |
| LM CT MSA  | 18%      | 18%      | 17%      | 7%      | 10%      |          |           |          |
| Minority CT  | 7%       | 7%       | 6%       | 4%      | 4%       |          |           |          |

Since Key's decline in its dollar volume of lending in the MSA as a whole was similar to the rate of decline (albeit slightly less) in three of the five underserved communities, the bank's proportion of its dollar amount of lending going to these three categories of the underserved community remained about the same (see bottom section of the table above). However, the proportion of Key's dollar volume of lending going to low-moderate income and minority census tracts declined significantly.

Of the \$8 million KeyBank originated in the Rochester MSA in 2007,

- **15 percent** went to the **city**, compared to **15 percent** in 2004
- **9 percent** went to **Black and Hispanic households**, compared to **10 percent** in 2004
- **31 percent** went to **low-moderate income households**, compared to **32 percent** in 2004
- **7 percent** went to **low-moderate income census tracts**, compared to **18 percent** in 2004
- **4 percent** went to **minority census tracts**, compared to **7 percent** in 2004

When comparing KeyBank to all financial institutions (AFI) in 2006, Key's distribution of its dollar volume of lending to all of the underserved categories was greater than that of AFI.

## KeyBank's Home Purchase Lending

### Home Purchase Loan Originations

We also analyzed Key's home purchase originations for owner-occupied 1-4 family units. We believe this is a more reliable indicator of a bank's ability to serve the entire community via lending.

As can be seen by the table below, Key originated 38 owner-occupied home purchase loans in the Rochester NY MSA in 2007, a decline of one loan or 3 percent from 2004. This means that only 29 percent of the total number of loans Key originated in 2007 were home purchase loans to owner-occupants.

| Key Home Purchase Lending 2004-2007                                     |       |      |      |      |          |          |          |          |
|---|-------|------|------|------|----------|----------|----------|----------|
| Rochester, NY MSA   |       |      |      |      |          |          |          |          |
| Owner-Occupied Home Purchase Originations (1-4 Family Site-Built Units) |       |      |      |      |          |          |          |          |
|   |       |      |      |      | 06-07    | 06-07    | 04B-07   | 04B-07   |
| HMDA DATA   | 2004B | 2005 | 2006 | 2007 | # change | % change | # change | % change |
| MSA   | 39    | 39   | 33   | 38   | 5        | 15%      | -1       | -3%      |
| City  | 13    | 7    | 9    | 7    | -2       | -22%     | -6       | -46%     |
| BI/His HH MSA   | 12    | 9    | 10   | 8    | -2       | -20%     | -4       | -33%     |
| LM HH MSA   | 21    | 23   | 19   | 23   | 4        | 21%      | 2        | 10%      |
| LM CT MSA   | 14    | 13   | 9    | 4    | -5       | -56%     | -10      | -71%     |
| Minority CT   | 10    | 3    | 4    | 4    | 0        | 0%       | -6       | -60%     |
|   |       |      |      |      |          |          |          |          |
|   |       |      |      |      | AFI      |          |          |          |
| % of loans in:  | 2004B | 2005 | 2006 | 2007 | 2006     |          |          |          |
| City  | 33%   | 18%  | 27%  | 18%  | 15%      |          |          |          |
| BI/His HH MSA   | 31%   | 23%  | 30%  | 21%  | 9%       |          |          |          |
| LM HH MSA   | 54%   | 59%  | 58%  | 61%  | 40%      |          |          |          |
| LM CT MSA   | 36%   | 33%  | 27%  | 11%  | 14%      |          |          |          |
| Minority CT   | 26%   | 8%   | 12%  | 11%  | 5%       |          |          |          |

Other analysis indicates that KeyBank is really a home improvement lender in the Rochester NY MSA. In 2007, Key originated 65 home improvement loans or 49 percent of the total number of loans the bank originated; and in 2006, 56 percent of the loans Key originated were home improvement loans.

### Home Purchase Lending Marketshare Comparisons

We wanted to see how Key's home purchase lending related to its marketshare. As seen by the top part of the table below, home purchase lending by all financial institutions (AFI) in the Rochester MSA decreased by 3 percent between 2005 and 2006. Home purchase lending by all financial institutions increased between 2005 and 2006 in many underserved communities:

- Among Black and Hispanic households
- In low-moderate income census tracts
- In minority census tracts

Due to its very low home purchase lending numbers (middle section of table), KeyBank has had less than one-third of one percent of the Rochester MSA market over the past three years—from 2004 through 2006 (bottom section of table). Only among Black and Hispanic households does Key have at or near one percent of the home purchase loan market.

| Key Home Purchase Lending Marketshare                   |       |       |       |          |          |          |          |
|---|-------|-------|-------|----------|----------|----------|----------|
| (Owner-Occupied 1-4 Family Site-Built Units, 2004-2006) |       |       |       |          |          |          |          |
|   | 2004B | 2005  | 2006  | 05-06    | 05-06    | 04B-06   | 04B-06   |
| AFI   |       |       |       | # change | % change | # change | % change |
| MSA   | 13585 | 13985 | 13551 | -434     | -3%      | -34      | 0%       |
| City  | 1890  | 2028  | 1979  | -49      | -2%      | 89       | 5%       |
| BI/His HH MSA   | 983   | 1112  | 1168  | 56       | 5%       | 185      | 19%      |
| LM HH MSA   | 5373  | 5597  | 5484  | -113     | -2%      | 111      | 2%       |
| LM CT MSA   | 1787  | 1849  | 1892  | 43       | 2%       | 105      | 6%       |
| Minority CT   | 713   | 694   | 706   | 12       | 2%       | -7       | -1%      |
|   |       |       |       |          |          |          |          |
|   | 2004B | 2005  | 2006  | 05-06    | 05-06    | 04B-06   | 04B-06   |
| Key   |       |       |       | # Change | % Change | # change | % change |
| MSA   | 39    | 39    | 33    | -6       | -15%     | -6       | -15%     |
| City  | 13    | 7     | 9     | 2        | 29%      | -4       | -31%     |
| BI/His HH MSA   | 12    | 9     | 10    | 1        | 11%      | -2       | -17%     |
| LM HH MSA   | 21    | 23    | 19    | -4       | -17%     | -2       | -10%     |
| LM CT MSA   | 14    | 13    | 9     | -4       | -31%     | -5       | -36%     |
| Minority CT   | 10    | 3     | 4     | 1        | 33%      | -6       | -60%     |
|   |       |       |       |          |          |          |          |
| Marketshare   | 2004B | 2005  | 2006  | 05-06    | 05-06    | 04B-06   | 04B-06   |
| Key   |       |       |       | # Change | % Change | # change | % change |
| MSA   | 0.3%  | 0.3%  | 0.2%  | 0.0%     | -12.7%   | 0.0%     | -15.2%   |
| City  | 0.7%  | 0.3%  | 0.5%  | 0.1%     | 31.8%    | -0.2%    | -33.9%   |
| BI/His HH MSA   | 1.2%  | 0.8%  | 0.9%  | 0.0%     | 5.8%     | -0.4%    | -29.9%   |
| LM HH MSA   | 0.4%  | 0.4%  | 0.3%  | -0.1%    | -15.7%   | 0.0%     | -11.4%   |
| LM CT MSA   | 0.8%  | 0.7%  | 0.5%  | -0.2%    | -32.3%   | -0.3%    | -39.3%   |
| Minority CT   | 1.4%  | 0.4%  | 0.6%  | 0.1%     | 31.1%    | -0.8%    | -59.6%   |

GRCRC believes that traditionally underserved families and communities benefit more when they obtain mortgages from lenders with a local depository presence than from little-regulated mortgage companies or lenders with no local CRA obligations. It benefits both the borrower and the bank when borrowers develop additional financial relationships with their mortgage lender rather than going to alternative mortgage companies or lenders when unable to get a loan from a depository or credit union.

As KeyBank is the eighth largest depository in the Rochester area with almost five percent of the market, GRCRC hopes that Key will become a bigger player in the home purchase lending market than it currently is. We would like to see Key's home purchase lending marketshare be similar to its deposit marketshare of five percent. GRCRC would be happy to work with the bank to develop and market mortgage lending products that fit Rochester's low-moderate income communities.

## Applications and Denials by Race

In addition to loan originations, it is important to examine application and denial patterns. Therefore, we compare KeyBank’s mortgage loan applications and denial rates for whites, Blacks, and Hispanics. We do this for total applications as well as for home purchase applications.

### Total Lending

Between 2004 and 2007, Key’s total lending denial rates increased for all groups of applicants in the table below—particularly for African-Americans. In 2007, over three-quarters of African Americans were denied loans with Key compared to less than one-half of white applicants. The denial rates for Hispanics and Asians also were greater than that of whites, at 55 percent and 50 percent respectively. In 2007, the denial rate for:

- Whites was 46 percent compared to 33 percent in 2004
- African-Americans was 77 percent compared to 41 percent in 2004
- Hispanics was 55 percent compared to 45 percent in 2004
- Asians was 50 percent compared to 25 percent in 2004, out of 2 applicants in 2007 compared to 8 in 2004.

The denial disparity between whites and African-Americans went up while it went down between whites and Latinos. In 2007, African-American applicants were denied 1.7 times more often than white applicants, compared to 1.2 times more often in 2004. Hispanic applicants were denied 1.2 times more often than white applicants in 2007, compared to 1.4 times more often in 2004.

| KeyBank Total Lending Denial Rates and Applications, 2004-2007 |       |      |      |      |
|--|-------|------|------|------|
| Rochester, NY MSA  |       |      |      |      |
| All HMDA Loans (1-4 family site-built units)                   |       |      |      |      |
| Denials %  | 2004B | 2005 | 2006 | 2007 |
| White  | 33%   | 29%  | 40%  | 46%  |
| Black  | 41%   | 38%  | 58%  | 77%  |
| Hispanic   | 45%   | 40%  | 43%  | 55%  |
| Asian  | 25%   | 14%  | 14%  | 50%  |
|  |       |      |      |      |
| Applications   | 2004B | 2005 | 2006 | 2007 |
| White  | 985   | 763  | 518  | 293  |
| Black  | 147   | 125  | 99   | 90   |
| Hispanic   | 47    | 35   | 30   | 11   |
| Asian  | 8     | 7    | 7    | 2    |
| Race Unknown   | 461   | 641  | 1006 | 26   |

KeyBank received substantially fewer applications from all groups in 2007 than in 2004. Applications from African-Americans decreased by 57 applications or 39 percent while applications from Hispanics decreased by 36 applications or 77 percent. Between 2004 and 2007, applications:

- Decreased by 692 (70 percent) for whites
- Decreased by 57 (39 percent) for African-Americans
- Decreased by 36 (77 percent) for Hispanics
- Decreased by 6 (75 percent) for Asians

In 2007 KeyBank received over 3 applications from whites for every application from an African-American and 27 applications from whites for every application from a Hispanic. This is an improvement from the 7:1 ratio for whites to African-Americans in 2004, but a setback from the 21:1 ratio for whites to Hispanics.

Clearly, Key has its work cut out in reaching out to all groups to increase the number of mortgage lending applicants, particularly among Asians, Hispanics and African-Americans.

### Home Purchase

As seen by the table below, as with other lenders, Key’s home purchase loan denial rates are generally much lower than total lending denial rates—for any group. However, the number of applications from any group is so low that denial rates can swing substantially when the number of applicants denied changes by just a few. Still, GRCRC is concerned that denial rates for African-Americans consistently increased between 2004 and 2007 while declining for whites.

As noted above, KeyBank must increase its outreach to all groups to increase its home purchase loan applicants.

| KeyBank Home Purchase Lending Denial Rates and Applications<br>2004-2007 |       |      |      |      |
|--|-------|------|------|------|
| Rochester, NY MSA  |       |      |      |      |
| (Owner-occupied, 1-4 family site-built units)                            |       |      |      |      |
| Denials %  | 2004B | 2005 | 2006 | 2007 |
| White  | 13%   | 14%  | 8%   | 6%   |
| Black  | 8%    | 18%  | 23%  | 31%  |
| Hispanic   | 33%   | 0%   | 25%  | 25%  |
| Asian  | n/a   | 0%   | n/a  | n/a  |
|  |       |      |      |      |
| Applications   | 2004B | 2005 | 2006 | 2007 |
| White  | 45    | 36   | 25   | 35   |
| Black  | 12    | 11   | 13   | 13   |
| Hispanic   | 3     | 3    | 4    | 4    |
| Asian  | 0     | 1    | 0    | 0    |
| Race unknown   | 10    | 16   | 12   | 6    |

## KeyBank's Mortgage Lending Compared to Its Peers

As seen by the table below, in 2006 KeyBank ranked seventh in deposits in the Rochester MSA, with 4 percent of the market.

| Deposit Marketshare of FDIC Insured Institutions |                             |                  |               |                   |                   |                 |
|--|-----------------------------|------------------|---------------|-------------------|-------------------|-----------------|
| June 20, 2006 (Rochester, NY MSA)                |                             |                  |               |                   |                   |                 |
| Rank   | Institution Name            | State<br>(Hqtrd) | Bank<br>Class | No. of<br>Offices | Deposits<br>\$000 | Market<br>Share |
| 1  | HSBC BANK USA NATIONAL ASSN | DE               | N             | 40                | 2,526,646         | 20.25%          |
| 2  | MANUFACTURERS&TRADERS TR CO | NY               | SM            | 47                | 2,360,915         | 18.93%          |
| 3  | JPMORGAN CHASE BANK NA      | OH               | N             | 29                | 1,993,146         | 15.98%          |
| 4  | CITIZENS BANK N A           | NY               | N             | 38                | 1,644,020         | 13.18%          |
| 5  | CANANDAIGUA NB&T CO         | NY               | N             | 20                | 1,010,786         | 8.10%           |
| 6  | BANK OF AMERICA NA          | NC               | N             | 24                | 543,399           | 4.36%           |
| 7  | KEYBANK NATIONAL ASSN       | OH               | N             | 14                | 494,677           | 3.97%           |
|  | <b>Top 7 banks</b>          |                  |               | 212               | 10,573,589        | 84.76%          |

We will compare this ranking to how Key ranked compared to its peers with respect to its total mortgage lending and home purchase lending marketshare in 2006.

### Total Mortgage Lending Marketshare

First, we compared the total number of mortgages originated in 2006 among the top 8 banks in the Rochester NY area with the largest deposits. As seen in Table 1 at the end of this letter, Key Bank originated a total of 247 mortgage loans in 2006, capturing 1 percent of the Rochester NY MSA market. Key ranked eighth with respect to total mortgage lending, behind HSBC, Citizens, M&T, Canandaigua NB, JPMorgan Chase, Bank of America and Citibank. Thus, Key's total lending marketshare was one place behind its seventh place depository marketshare ranking but substantially below its 4 percent depository marketshare.

With respect to total lending marketshare ranking in the city of Rochester and underserved communities, Key Bank was consistent with its total MSA marketshare. In 2006, Key captured between 1 percent of the market in all of the underserved communities, and ranked eighth in marketshare among Rochester's underserved communities, except for among Black and Hispanic households where it ranked seventh.

When looking at the distribution of its Rochester MSA lending among the underserved communities, KeyBank did the same or better in all but one category than the top 8 banks did on average in 2006 (bottom section of the table).

### Home Purchase Lending Marketshare

As seen in Table 2 at the end of this letter, KeyBank originated only 33 home purchase loans in 2006, capturing only 0.2 percent of the over 13,000 loans made in the Rochester NY MSA market. This put Key in last place with respect to home purchase lending marketshare among the top 8 banks and substantially lower than its 4 percent depository marketshare. In order for Key to have had a home purchase lending marketshare in 2006 equal to its 4 percent depository marketshare, the bank would have had to increase its lending by 509 loans or by over 1500 percent.

## **Conclusion: Key's Mortgage Lending**

GRCRC is concerned that one of the Rochester area's larger banks is such a small player in the mortgage lending market, particularly the home purchase lending market. KeyBank's total mortgage lending in 2007 is the lowest it has been since 2001.

Between 2001 and 2007, Key's owner-occupied home purchase lending in the Rochester area never exceeded 63 loans, so Key has not been a home purchase lender for quite a while in this market. GRCRC is concerned, however, with the decrease in home purchase loans Key is originating in the city of Rochester. Between 2001 and 2003, Key originated between 25 and 32 home purchase loans in the city—between 32 and 46 percent of the home purchase loans the bank was making in the Rochester MSA. Since 2005, however, Key has not originated more than 9 home purchase loans in the city.

According to KeyBank, the decline in lending in 2007 was affected by the late-2006 sale of its subsidiary, Champion Mortgage Company, whose mortgage lending numbers were reported under KeyBank. It is our understanding that Key has provided the OCC with Champion's mortgage lending numbers, so the OCC should be able to determine how much of Key's 2007 decline in lending was due to the sale of Champion Mortgage and how much was due to other factors.

Still, GRCRC is concerned with Key's generally low level of lending in the Rochester area. Mortgage lending by CRA-obligated institutions is generally more responsible lending than that of non-CRA-obligated banks or mortgage lenders.

As discussed above, GRCRC urges KeyBank to develop products and marketing strategies to reach out underserved markets in the Rochester area.

In our discussions with Key, the bank reported that in late 2007-early 2008, Key changed its approach toward mortgage lending and changed its mortgage lending management. Key told us that the bank is in the process of hiring more mortgage advisors. GRCRC is hopeful that these changes will lead to increased lending over time.

## **KEYBANK SMALL BUSINESS LENDING**

We have been collecting small business lending data for KeyBank for the past several years. Here we will analyze Key small business lending changes between 2004 and 2007 and compare it to the other top 8 banks for 2006.

### **Small Business Lending Changes 2004 – 2007**

#### Number of Small Business Loans

In 2007, KeyBank originated 66 small business loans in Monroe County, NY, a decrease of 20 loans (19 percent) from 2004. As seen by the table below, Key's small business lending decreased in the other areas as well, particularly among businesses with gross annual revenues under \$1 million located in low-moderate income census tracts. In 2007, KeyBank made:

- 26 loans to **businesses in low-moderate income census tracts**, a decrease of 22 percent from 2004

- 25 loans to **businesses with gross annual revenues under \$1 million**, a decrease of 23 percent from 2004
- 5 loans to **businesses with gross annual revenues under \$1 million in low-moderate income census tracts**, a decrease of 56 percent from 2004

The distribution of Key's Monroe County loans to these categories changed between 2004 and 2007, increasing among businesses in low-moderate income census tracts, but decreasing among businesses in the other categories. Key's 2006 distribution among all categories, however, was larger than the distribution for all financial institutions. Of the 66 small business loans KeyBank made in 2007:

- 39 percent went to **businesses in low-moderate income census tracts**, compared to 26 percent in 2004
- 38 percent went to **businesses with gross annual revenues under \$1 million**, compared to 53 percent in 2004
- 8 percent went to **businesses with gross annual revenues under \$1 million in low-moderate income census tracts**, compared to 12 percent in 2004

| Key Small Business Lending 2004-2007            |        |        |        |        |          |          |          |          |
|---|--------|--------|--------|--------|----------|----------|----------|----------|
| Monroe County, NY                               |        |        |        |        |          |          |          |          |
| Number of Loans                                 |        |        |        |        | 06-07    | 06-07    | 04-07    | 04-07    |
|   | 2004   | 2005   | 2006   | 2007   | # change | % change | # change | % change |
| Monroe County Total                             | 76     | 103    | 83     | 66     | -17      | -20%     | -20      | -19%     |
| Monroe Cnty Low Mod CT                          | 20     | 37     | 29     | 26     | -3       | -10%     | -8       | -22%     |
| Bus. w. GAR < \$1 M                             | 40     | 44     | 34     | 25     | -9       | -26%     | -10      | -23%     |
| Bus. w. GAR < \$1 M in LM CT                    | 9      | 16     | 7      | 5      | -2       | -29%     | -9       | -56%     |
|   |        |        |        |        | AFI      |          |          |          |
| % of Monroe County loans in:                    | 2004   | 2005   | 2006   | 2007   | 2006     |          |          |          |
| Monroe Cnty Low Mod CT                          | 26%    | 36%    | 35%    | 39%    | 20%      |          |          |          |
| Bus. w. GAR < \$1 M                             | 53%    | 43%    | 41%    | 38%    | 37%      |          |          |          |
| Bus. w. GAR < \$1 M in LM CT                    | 12%    | 16%    | 8%     | 8%     | 7%       |          |          |          |
|   |        |        |        |        |          |          |          |          |
| Aggregate Amount of Loans (Millions of Dollars) |        |        |        |        | 06-07    | 06-07    | 04-07    | 04-07    |
|   | 2004   | 2005   | 2006   | 2007   | # change | % change | # change | % change |
| Monroe County Total                             | \$15.2 | \$25.0 | \$18.3 | \$15.3 | -\$3.0   | -16%     | -\$7     | -27%     |
| Monroe Cnty Low Mod CT                          | \$4.5  | \$11.1 | \$7.8  | \$8.9  | \$1.2    | 15%      | -\$3     | -30%     |
| Bus. w. GAR < \$1 M                             | \$4.0  | \$6.0  | \$3.6  | \$1.6  | -\$1.9   | -54%     | -\$2     | -40%     |
| Bus. w. GAR < \$1 M in LM CT                    | \$1.0  | \$1.3  | \$0.5  | \$0.6  | \$0.1    | 16%      | -\$1     | -64%     |
|   |        |        |        |        | AFI      |          |          |          |
| % of Monroe County loans in:                    | 2004   | 2005   | 2006   | 2007   | 2006     |          |          |          |
| Monroe Cnty Low Mod CT                          | 30%    | 44%    | 42%    | 58%    | 26%      |          |          |          |
| Bus. w. GAR < \$1 M                             | 26%    | 24%    | 20%    | 11%    | 34%      |          |          |          |
| Bus. w. GAR < \$1 M in LM CT                    | 7%     | 5%     | 3%     | 4%     | 7%       |          |          |          |

#### Dollar Amount of Small Business Lending

The table above shows that KeyBank made at total of \$15.3 million in small business loans in Monroe County in 2007, 27 percent less than in 2004. In 2007, Key made:

- \$8.9 million in loans to **businesses in low-moderate income census tracts**, a decrease of 30 percent from 2004
- \$1.6 million in loans to **businesses with gross annual revenues under \$1 million**, a decrease of 40 percent from 2004
- \$0.6 million in loans to **businesses with gross annual revenues under \$1 million in low-moderate income census tracts**, a decrease of 64 percent from 2004

Key's distribution of its dollar amount of lending increased between 2004 and 2007 to businesses in low-moderate income census tracts, but decreased to businesses with gross annual revenues under \$1 million and to businesses with gross annual revenues under \$1 million in low-moderate income census tracts. Due to these decreases, in 2006, Key's distribution of dollar amount of lending compared favorably to AFI in only one category, businesses in low-moderate income census tracts.

Key's high point of small business lending during this time was 2005, when it made 103 loans totaling \$25 million in Monroe County. Since 2005, its small business lending has consistently decreased. GRCRC hopes that Key can increase its small business lending in Monroe County over the next few years, particularly to businesses with gross annual revenues under \$1 million and to these smaller businesses located in low-moderate income census tracts.

### **KeyBank's Small Business Lending Compared to Peers**

As with the mortgage lending, we compared Key's small business lending to its peers, the other depositories with the greatest marketshare in the Rochester NY MSA. We compare CRA small business lending marketshare for 2006 and SBA lending for the Rochester NY area for 2007.

#### CRA Small Business Lending

To provide another perspective on Key's small business lending, we examined the number of loans and dollar volume of lending of Key in 2006 compared to the other top 8 banks. As seen above in this letter, Key ranked seventh in deposit marketshare in the Rochester NY MSA with 4 percent of the market.

#### *Number of Loans Marketshare*

In 2006, KeyBank captured 0.3 percent of the small business lending market in Monroe County based upon the number of loans made, and ranked seventh or last in marketshare out of the top banks reporting (see Table 3 at the end of this letter).<sup>4</sup>

Key ranked last in marketshare for the number of loans it made to businesses in low-moderate income census tracts, among businesses with gross annual revenues under \$1 million and among businesses with gross annual revenues under \$1 million located in low-moderate income census tracts. In 2006, KeyBank's marketshare was:

- **0.6 percent** among **businesses in low-moderate income census tracts**
- **0.4 percent** among **businesses with gross annual revenues under \$1 million**
- **0.4 percent** among **businesses with gross annual revenues under \$1 million located in**

<sup>4</sup> It should be noted that Canandaigua National Bank and Trust (CNB) did not report its small business lending data in 2006. Therefore, we do not know how much of the market CNB captured. It is likely that other bank's marketshare numbers are artificially inflated by this lack of information.

### **low-moderate income census tracts**

We are pleased Key's marketshare numbers among smaller businesses and to businesses and smaller businesses located in low-moderate income neighborhoods were larger than its overall small business lending marketshare in Monroe County. In addition, Key compared favorably with the top 8 banks on average with respect to the distribution of its Monroe County loans to smaller businesses and to businesses located in low-moderate income neighborhoods. Despite this, KeyBank's small business marketshare numbers are substantially smaller than its depository marketshare.

#### *Dollar Amount Lending Marketshare*

In 2006, KeyBank had 2.5 percent of the dollar volume of small business lending market in Monroe County and ranked last in marketshare. So, while Key's seventh place dollar volume marketshare was the same as its ranking based upon number of small business loans, its dollar volume marketshare numbers beat its marketshare numbers based upon the number of small business loans.

In 2006, Key's dollar volume marketshare ranking was:

- **Sixth with 4.0 percent** of the market among **businesses in low-moderate income census tracts**
- **Seventh with 1.4 percent** of the market among **businesses with gross annual revenues under \$1 million**
- **Seventh with 0.9 percent** of the market among **businesses with gross annual revenues under \$1 million located in low-moderate income census tracts**

GRCRC is glad to see that Key's marketshare to businesses in low-moderate income census tracts was better than its marketshare in Monroe County as a whole. We hope that Key will develop its non-SBA small business lending to improve its dollar volume marketshare among smaller businesses so that it is at least as equal to that of its Monroe County marketshare.

#### *Nine County CRA Small Business Lending Compared to Peers*

In addition, thanks to the analysis done by Rural Opportunities, Inc., we are including two tables showing the Finger Lakes 9 County 2006 CRA SB Loans (ordered by number of loans (Table 4A) and total dollars of loans (Table 4B)). These tables show which of the top banks have assessment areas in at least some of the nine county area of Monroe, Orleans, Genesee, Wyoming, Livingston, Ontario, Yates, Seneca and Wayne Counties, and which are credit card lenders (with or without assessment areas).

Table 4A shows that Key ranked 24th out of 25 lenders in 2006 with a total of 141 loans in the nine counties. Table 4B shows that with respect to dollar volume of small business lending, Key ranked eleventh in 2006 with over \$29 million in lending in the Finger Lakes nine county area and an average loan size of almost \$206 thousand.

#### KeyBank's SBA Lending and Marketshare

Table 5 at the end of this letter shows the number and dollar volume of Small Business Administration (7(a) Loan Program) loans made by all financial institutions and the top 8 banks in the Rochester NY area between 2001 and 2007.

In 2007, Key made 9 SBA 7(a) Loan Program loans totaling \$1.6 million. This is a sizeable decrease from Key's 16 SBA loans totaling \$3.2 million in 2006. In 2007, KeyBank captured 2.9 percent of the dollar volume of the SBA 7(a) Loan Program lending in the Rochester NY area, a decline from the 5.2 percent it captured in 2006, and a decrease from the 8.6 percent marketshare of 2004. Key's marketshare ranking among all SBA lenders declined from fourth in 2004 to sixth in 2006 to eleventh in 2007.

As with other lending, Key's SBA marketshare ranking of 11<sup>th</sup> in 2007 was lower than its seventh place depository marketshare ranking. Key's 11<sup>th</sup> place ranking in 2007 was the first time its SBA dollar volume lending ranking fell below sixth place since 2001 (the earliest year for which we have data).

GRCRC hopes that Key will turn around this recent decline in SBA lending.

### **KEYBANK'S COMMUNITY DEVELOPMENT ACTIVITIES**

KeyBank shared with us that during this exam period the bank has had investments of \$13.6 million in various Low Income Housing Tax Credit (LIHTC) funds. The funds are with **Enterprise Community Partners, National Equity Fund, WNC** and the **Greater Rochester Housing Partnership**. Key also purchased LIHTCs from **Heritage Christian Services**.

In addition, KeyBank has maintained its non-member deposit of \$100,000 with **Progressive Neighborhood Federal Credit Union** and a \$100,000 EQ2 investment with **Rural Opportunities, Inc (ROI)**.

Key also works with the **Marketview Heights Association** and **ROI** to provide mortgages to their first time homebuyers; and Key is a member of the **Alliance for Economic Inclusion** (described below).

According to Key, the bank has over \$99 million in community development loans in the Rochester NY assessment area to various not-for-profits whose client base are low and moderate income families or individuals, of which \$4 million is with the **Rochester Housing Development Fund**.

GRCRC thanks KeyBank for its community development lending and investments in the Rochester area benefitting low-moderate income families and neighborhoods.

GRCRC has a good working relationship with Catherine Braniecki, a VP for CRA located in Buffalo. In fact, Ms. Braniecki was instrumental in KeyBank providing \$500 to help support our symposium celebrating the 30<sup>th</sup> anniversary of the Community Reinvestment Act, co-hosted in January 2008 by **GRCRC and Empire Justice Center**. GRCRC thanks Key for its financial support of the celebration.

### **Community Development Opportunities**

GRCRC asks that Key consider these few opportunities below that will benefit the Rochester area low-moderate income community, as well as other opportunities that Key finds or learns about in discussions with GRCRC members.

KeyBank should consider working with the City of Rochester and the **Rochester Housing Development Fund Corporation (RHDFC)**, the program that finances HOME Rochester, and in which Key is a participating lender, to address mortgage lending issues for first-time home buyers participating in HOME Rochester. These vetted home buyers would be a good way for Key to increase its home purchase lending numbers.

We also ask Key to participate in the following initiatives, if it does not do so already:

- In the past, the **City of Rochester**, like most federal entitlement communities, has spent its Community Development Block Grant (CDBG) and HOME funds on priority needs, but in a widely dispersed spatial pattern.

In order to achieve a greater impact, the **Department of Community Development** has chosen smaller areas for public investment and focusing a portion of its expenditures over a three to five year period. This **Focused Investment Strategy (FIS)** will produce greater neighborhood impacts. A detailed asset and needs analysis, using the framework recommended by the 30 member FIS Advisory Group, was conducted for 18 areas in the city and reviewed by City Council and representatives from the Department of Community Development, Economic Development Department and the Department of Environmental Services. In April, this group agreed that the first four FIS areas would be located:

- Southwest of the Public Market in South Marketview Heights in the Northeast District.
- Along Webster Avenue near Webster Park in the Beechwood Neighborhood in the East District.
- Along Jefferson Avenue, adjacent to Anthony Square and/or Van Auker Apartments in Mayor's Heights in the South District.
- Adjacent to the intersection of Dewey and Driving Park Avenues in the Maplewood Neighborhood in the Northwest District.

The City has proposed to allocate approximately \$3 million for the first year (2008-09) and \$2.5 to \$3 million annually for economic development, housing, capital improvements and code enforcement activities in these four FIS areas. To maintain the current level of City-wide programming requires identifying approximately \$3 million in additional funds. The HUD CDBG Section 108 program is one potential option; however, it is a loan program and must be paid back. Program strategies using the 108 funds will have to be structured as loans. In addition, the City must successfully leverage private funds and work with lenders to increase the impact of the public money being invested in focus area neighborhoods. Therefore, GRCRC urges KeyBank to consider capitalizing a predevelopment fund which could concentrate on projects in the City's FIS areas.

- The FDIC's **Alliance for Economic Inclusion (AEI)** recently expanded to the Rochester area. The AEI is an initiative to address the needs of the "**unbanked.**" GRCRC is pleased that KeyBank is a member of the alliance. We urge Key to work with other AEI members to provide affordable services and products for the un- and under-banked. These include:
  - Developing a business model (and products) that takes the long-term approach of **creating long-term relationships with the un- and under-banked** rather than taking the short-term, high-profit, but asset-stripping approach of high-fees, particularly NSF fees.

- The development and aggressive marketing of **small, affordable, short-term loans to replace rent-to-own and payday loans.**
- Consider developing **micro-enterprise loan products** (less than \$50,000). Other than Rural Opportunities Inc's micro lending program, GRCRC members see the need for more micro lending in the Rochester area. Historically micro loans have been on the bottom of the priority list for traditional lenders. Given the small amount of the loan (less than \$50,000) which is considered riskier than a larger loan (\$50,000 or more), most lenders advise business owners to get a line of credit or put it on a credit card. Most of these business owners have good or fair credit; they just need an opportunity to access funds at reasonable rates.

## CONCLUSION

Overall, GRCRC is concerned with KeyBank's mortgage and small business lending performance in the Rochester area. Our main area of concern is Key's lack of home purchase lending in the Rochester area, particularly its decline in lending in the city of Rochester since 2004.

We understand that Key's relatively smaller position with respect to the larger depositories like HSBC, JPMorgan Chase and M&T Bank, as well as its membership in an FHLB with different products than those offered by these larger banks, puts it at a competitive disadvantage. However, Key only just last year began changing its approach toward mortgage lending when its mortgage lending in the Rochester area has been low for several years. We urge Key to fully implement these changes as soon as possible.

We are hopeful that Key will continue the work it already does with local not-for-profits like **Rural Opportunities, Marketview Heights Association and NeighborWorks Rochester** to determine the best products and strategies for low-moderate income families and neighborhoods in the Rochester market.

GRCRC is committed to fostering partnerships with all financial institutions in the belief that the goal of meeting the credit needs of traditionally underserved communities is compatible with safe, sound, and profitable lending practices. We will continue to work with Key in furthering that goal. If you have any questions please feel free to contact us. We can be reached at 585-454-4060.

Yours truly,

Ruhi Maker, Esq.

Barbara van Kerkhove, Ph.D.  
Researcher/Policy Analyst

CC: Catherine Braniecki, KeyBank

**Table 1: Top 8 Banks Total Mortgage Originations 2006**

| Rochester, NY MSA  |        |       |          |       |            |         |       |      |      |       |        |
|--|--------|-------|----------|-------|------------|---------|-------|------|------|-------|--------|
| (1- 4 family units)  |        |       |          |       |            | Bank of |       |      |      |       |        |
| 2006 HMDA data   | AFI    | CNB   | Citizens | Chase | Citibank * | America | HSBC* | Key* | M&T  | Top 8 | OFI    |
| MSA  | 29,832 | 1,031 | 1977     | 943   | 406        | 931     | 3028  | 247  | 1209 | 9,772 | 20,060 |
| City   | 4,885  | 87    | 373      | 165   | 67         | 217     | 522   | 41   | 233  | 1,705 | 3,180  |
| Black/Hispanic HH MSA  | 2,498  | 20    | 199      | 72    | 50         | 86      | 232   | 26   | 115  | 800   | 1,698  |
| Low-Mod HH MSA   | 11,355 | 323   | 843      | 323   | 135        | 333     | 1383  | 111  | 599  | 4,050 | 7,305  |
| Low-Mod Income CT  | 4,975  | 85    | 337      | 177   | 60         | 209     | 511   | 54   | 217  | 1,650 | 3,325  |
| Minority CT  | 2,379  | 27    | 188      | 87    | 25         | 118     | 205   | 18   | 76   | 744   | 1,635  |
|  |        |       |          |       |            |         |       |      |      |       |        |
| MARKETSHARE  |        |       |          |       |            | Bank of |       |      |      |       |        |
|  |        | CNB   | Citizens | Chase | Citibank   | America | HSBC  | Key  | M&T  | Top 8 | OFI    |
| MSA  |        | 3%    | 7%       | 3%    | 1%         | 3%      | 10%   | 1%   | 4%   | 33%   | 67%    |
| City   |        | 2%    | 8%       | 3%    | 1%         | 4%      | 11%   | 1%   | 5%   | 35%   | 65%    |
| Black/Hispanic HH MSA  |        | 1%    | 8%       | 3%    | 2%         | 3%      | 9%    | 1%   | 5%   | 32%   | 68%    |
| Low-Mod HH MSA   |        | 3%    | 7%       | 3%    | 1%         | 3%      | 12%   | 1%   | 5%   | 36%   | 64%    |
| Low-Mod Income CT  |        | 2%    | 7%       | 4%    | 1%         | 4%      | 10%   | 1%   | 4%   | 33%   | 67%    |
| Minority CT  |        | 1%    | 8%       | 4%    | 1%         | 5%      | 9%    | 1%   | 3%   | 31%   | 69%    |
|  |        |       |          |       |            |         |       |      |      |       |        |
| Loans as %   |        |       |          |       |            | Bank of |       |      |      |       |        |
| of MSA TOTAL IN:   | AFI    | CNB   | Citizens | Chase | Citibank   | America | HSBC  | Key  | M&T  | Top 8 | OFI    |
| City   | 16%    | 8%    | 19%      | 17%   | 17%        | 23%     | 17%   | 17%  | 19%  | 17%   | 16%    |
| Black/Hispanic HH MSA  | 8%     | 2%    | 10%      | 8%    | 12%        | 9%      | 8%    | 11%  | 10%  | 8%    | 8%     |
| Low-Mod HH MSA   | 38%    | 31%   | 43%      | 34%   | 33%        | 36%     | 46%   | 45%  | 50%  | 41%   | 36%    |
| Low-Mod Income CT  | 17%    | 8%    | 17%      | 19%   | 15%        | 22%     | 17%   | 22%  | 18%  | 17%   | 17%    |
| Minority CT  | 8%     | 3%    | 10%      | 9%    | 6%         | 13%     | 7%    | 7%   | 6%   | 8%    | 8%     |
| * HMDA data in this chart does not include bank's subprime lending subsidiaries. |        |       |          |       |            |         |       |      |      |       |        |
| Prepared by: Empire Justice Center, 04/18/07, 585-454-4060                       |        |       |          |       |            |         |       |      |      |       |        |

**Table 2: Top 8 Banks Home Purchase Originations 2006**

| Rochester, NY MSA  |        |     |          |       |            |         |       |      |     |       |       |
|--|--------|-----|----------|-------|------------|---------|-------|------|-----|-------|-------|
| (owner-occupied 1-4 family units)  |        |     |          |       |            | Bank of |       |      |     |       |       |
| 2006 HMDA data   | AFI    | CNB | Citizens | Chase | Citibank * | America | HSBC* | Key* | M&T | Top 8 | OFI   |
| MSA  | 13,551 | 420 | 562      | 370   | 196        | 529     | 1918  | 33   | 859 | 4,887 | 8,664 |
| City   | 1,979  | 45  | 113      | 44    | 40         | 89      | 323   | 9    | 160 | 823   | 1,156 |
| Black/Hispanic HH MSA  | 1,168  | 12  | 72       | 26    | 30         | 53      | 150   | 10   | 87  | 440   | 728   |
| Low-Mod HH MSA   | 5,484  | 146 | 238      | 146   | 77         | 232     | 932   | 19   | 486 | 2,276 | 3,208 |
| Low-Mod Income CT  | 1,892  | 35  | 100      | 57    | 29         | 89      | 299   | 9    | 140 | 758   | 1,134 |
| Minority CT  | 706    | 11  | 64       | 18    | 12         | 27      | 101   | 4    | 43  | 280   | 426   |
|  |        |     |          |       |            |         |       |      |     |       |       |
| MARKETSHARE  |        |     |          |       |            | Bank of |       |      |     |       |       |
|  |        | CNB | Citizens | Chase | Citibank   | America | HSBC  | Key  | M&T | Top 8 | OFI   |
| MSA  |        | 3%  | 4%       | 3%    | 1%         | 4%      | 14%   | 0%   | 6%  | 36%   | 64%   |
| City   |        | 2%  | 6%       | 2%    | 2%         | 4%      | 16%   | 0%   | 8%  | 42%   | 58%   |
| Black/Hispanic HH MSA  |        | 1%  | 6%       | 2%    | 3%         | 5%      | 13%   | 1%   | 7%  | 38%   | 62%   |
| Low-Mod HH MSA   |        | 3%  | 4%       | 3%    | 1%         | 4%      | 17%   | 0%   | 9%  | 42%   | 58%   |
| Low-Mod Income CT  |        | 2%  | 5%       | 3%    | 2%         | 5%      | 16%   | 0%   | 7%  | 40%   | 60%   |
| Minority CT  |        | 2%  | 9%       | 3%    | 2%         | 4%      | 14%   | 1%   | 6%  | 40%   | 60%   |
|  |        |     |          |       |            |         |       |      |     |       |       |
| Loans as %   |        |     |          |       |            | Bank of |       |      |     |       |       |
| of MSA TOTAL IN:   | AFI    | CNB | Citizens | Chase | Citibank   | America | HSBC  | Key  | M&T | Top 8 | OFI   |
| City   | 15%    | 11% | 20%      | 12%   | 20%        | 17%     | 17%   | 27%  | 19% | 17%   | 13%   |
| Black/Hispanic HH MSA  | 9%     | 3%  | 13%      | 7%    | 15%        | 10%     | 8%    | 30%  | 10% | 9%    | 8%    |
| Low-Mod HH MSA   | 40%    | 35% | 42%      | 39%   | 39%        | 44%     | 49%   | 58%  | 57% | 47%   | 37%   |
| Low-Mod Income CT  | 14%    | 8%  | 18%      | 15%   | 15%        | 17%     | 16%   | 27%  | 16% | 16%   | 13%   |
| Minority CT  | 5%     | 3%  | 11%      | 5%    | 6%         | 5%      | 5%    | 12%  | 5%  | 6%    | 5%    |
| * HMDA data in this chart does not include bank's subprime lending subsidiaries. |        |     |          |       |            |         |       |      |     |       |       |
| Prepared by: Empire Justice Center, 04/18/07, 585-454-4060                       |        |     |          |       |            |         |       |      |     |       |       |

Table 3: Top 8 Banks Small Business Lending in Monroe County, NY 2006

| Table 3: Top 8 Banks Small Business Lending in Monroe County, NY 2006 |          |         |      |         |          |          |          |         |          |          |          |
|---|----------|---------|------|---------|----------|----------|----------|---------|----------|----------|----------|
| Number of Loans   | Bank of  |         |      |         |          |          |          |         |          |          |          |
|   | AFI      | America | CNB  | Chase   | Citibank | Citizens | HSBC     | Key     | M&T      | Top 8    | OFI      |
| Monroe County Total   | 25237    | 1643    |      | 4,144   | 3,926    | 408      | 1,487    | 83      | 1,368    | 13,059   | 12,178   |
| Monroe Cnty Low Mod CT  | 5061     | 400     |      | 583     | 765      | 93       | 337      | 29      | 356      | 2,563    | 2,498    |
| Bus. w. GAR < \$1 M   | 9352     | 792     |      | 176     | 2,608    | 282      | 984      | 34      | 578      | 5,454    | 3,898    |
| Bus. w. GAR < \$1 M in LM CT  | 1720     | 162     |      | 36      | 441      | 56       | 202      | 7       | 135      | 1,039    | 681      |
| Marketshare   |          |         |      |         |          |          |          |         |          |          |          |
| Marketshare   | Bank of  |         |      |         |          |          |          |         |          |          |          |
|   | AFI      | America | CNB  | Chase   | Citibank | Citizens | HSBC     | Key     | M&T      | Top 8    | OFI      |
| Monroe County Total   |          | 6.5%    | 0.0% | 16.4%   | 15.6%    | 1.6%     | 5.9%     | 0.3%    | 5.4%     | 51.7%    | 48.3%    |
| Monroe Cnty Low Mod CT  |          | 7.9%    | 0.0% | 11.5%   | 15.1%    | 1.8%     | 6.7%     | 0.6%    | 7.0%     | 50.6%    | 49.4%    |
| Bus. w. GAR < \$1 M   |          | 8.5%    | 0.0% | 1.9%    | 27.9%    | 3.0%     | 10.5%    | 0.4%    | 6.2%     | 58.3%    | 41.7%    |
| Bus. w. GAR < \$1 M in LM CT  |          | 9.4%    | 0.0% | 2.1%    | 25.6%    | 3.3%     | 11.7%    | 0.4%    | 7.8%     | 60.4%    | 39.6%    |
| Percentage of Monroe County Loans In:                                 |          |         |      |         |          |          |          |         |          |          |          |
| Percentage of Monroe County Loans In:                                 | Bank of  |         |      |         |          |          |          |         |          |          |          |
|   | AFI      | America | CNB  | Chase   | Citibank | Citizens | HSBC     | Key     | M&T      | Top 8    | OFI      |
| Monroe Cnty Low Mod CT  | 20%      | 24.3%   | N/A  | 14.1%   | 19.5%    | 22.8%    | 22.7%    | 34.9%   | 26.0%    | 19.6%    | 20.5%    |
| Bus. w. GAR < \$1 M   | 37%      | 48.2%   | N/A  | 4.2%    | 66.4%    | 69.1%    | 66.2%    | 41.0%   | 42.3%    | 41.8%    | 32.0%    |
| Bus. w. GAR < \$1 M in LM CT  | 7%       | 9.9%    | N/A  | 0.9%    | 11.2%    | 13.7%    | 13.6%    | 8.4%    | 9.9%     | 8.0%     | 5.6%     |
| Total Amount of Loans (Millions of Dollars)                           |          |         |      |         |          |          |          |         |          |          |          |
| Total Amount of Loans (Millions of Dollars)                           | Bank of  |         |      |         |          |          |          |         |          |          |          |
|   | AFI      | America | CNB  | Chase   | Citibank | Citizens | HSBC     | Key     | M&T      | Top 8    | OFI      |
| Monroe County Total   | \$743.95 | \$41.63 |      | \$64.18 | \$35.56  | \$21.20  | \$142.45 | \$18.33 | \$272.50 | \$595.85 | \$148.10 |
| Monroe Cnty Low Mod CT  | \$192.52 | \$14.54 |      | \$9.90  | \$7.97   | \$7.32   | \$34.56  | \$7.76  | \$77.34  | \$159.39 | \$33.14  |
| Bus. w. GAR < \$1 M   | \$249.80 | \$17.31 |      | \$8.62  | \$17.04  | \$9.50   | \$52.25  | \$3.58  | \$66.91  | \$175.20 | \$74.60  |
| Bus. w. GAR < \$1 M in LM CT  | \$50.41  | \$4.95  |      | \$1.39  | \$2.33   | \$1.77   | \$10.17  | \$0.48  | \$16.83  | \$37.92  | \$12.49  |
| Marketshare   |          |         |      |         |          |          |          |         |          |          |          |
| Marketshare   | Bank of  |         |      |         |          |          |          |         |          |          |          |
|   | AFI      | America | CNB  | Chase   | Citibank | Citizens | HSBC     | Key     | M&T      | Top 8    | OFI      |
| Monroe County Total   |          | 5.6%    | 0.0% | 8.6%    | 4.8%     | 2.9%     | 19.1%    | 2.5%    | 36.6%    | 80.1%    | 19.9%    |
| Monroe Cnty Low Mod CT  |          | 7.5%    | 0.0% | 5.1%    | 4.1%     | 3.8%     | 18.0%    | 4.0%    | 40.2%    | 82.8%    | 17.2%    |
| Bus. w. GAR < \$1 M   |          | 6.9%    | 0.0% | 3.5%    | 6.8%     | 3.8%     | 20.9%    | 1.4%    | 26.8%    | 70.1%    | 29.9%    |
| Bus. w. GAR < \$1 M in LM CT  |          | 9.8%    | 0.0% | 2.8%    | 4.6%     | 3.5%     | 20.2%    | 0.9%    | 33.4%    | 75.2%    | 24.8%    |
| Percentage of Monroe County Loans In:                                 |          |         |      |         |          |          |          |         |          |          |          |
| Percentage of Monroe County Loans In:                                 | Bank of  |         |      |         |          |          |          |         |          |          |          |
|   | AFI      | America | CNB  | Chase   | Citibank | Citizens | HSBC     | Key     | M&T      | Top 8    | OFI      |
| Monroe Cnty Low Mod CT  | 26%      | 34.9%   | N/A  | 15.4%   | 22.4%    | 34.5%    | 24.3%    | 42.3%   | 28.4%    | 26.7%    | 22.4%    |
| Bus. w. GAR < \$1 M   | 34%      | 41.6%   | N/A  | 13.4%   | 47.9%    | 44.8%    | 36.7%    | 19.5%   | 24.6%    | 29.4%    | 50.4%    |
| Bus. w. GAR < \$1 M in LM CT  | 7%       | 11.9%   | N/A  | 2.2%    | 6.6%     | 8.4%     | 7.1%     | 2.6%    | 6.2%     | 6.4%     | 8.4%     |
| AFI: All Financial Institutions; OFI: Other Financial Institutions    |          |         |      |         |          |          |          |         |          |          |          |
| Prepared by: Empire Justice Center, 04/18/07, 585-454-4060            |          |         |      |         |          |          |          |         |          |          |          |

| <b>Table 4A: Finger Lakes 9 County 2006 CRA SB Loans</b>  |                                      | <b>Nine County</b> | <b>Nine County</b>  | <b>Average</b>   | <b>Status -Type of Lender</b>                       |
|---|--------------------------------------|--------------------|---------------------|------------------|---|
| (All small business loans as reported to FFIEC)   |                                      | <b># of Loans</b>  | <b>\$ of Loans</b>  | <b>Loan size</b> | <b>CRA Assessment Area (AA) in # of counties</b>    |
| Ordered By Number of Loans -25 Top Lenders  |                                      |                    |                     |                  |   |
| Rank  |                                      |                    |                     |                  |   |
| 1   | <b>AMERICAN EXPRESS BK FSB</b>       | <b>8,537</b>       | <b>\$30,315,000</b> | <b>\$3,551</b>   | <b>Credit Card Lender-No AA</b>                     |
| 2   | Chase Manhattan Bank USA, NA         | 5,877              | \$52,471,000        | \$8,928          | Credit Card Lender-Bank has AA in 3 Counties        |
| 3   | <b>CITIBANK (SOUTH DAKOTA), N.A.</b> | <b>5,557</b>       | <b>\$28,779,000</b> | <b>\$5,179</b>   | <b>Credit Card Lender-No AA</b>                     |
| 4   | <b>Capital One, F.S.B.</b>           | <b>3,130</b>       | <b>\$20,436,000</b> | <b>\$6,529</b>   | <b>Credit Card Lender-No AA</b>                     |
| 5   | <b>Advanta Bank Corp</b>             | <b>2,293</b>       | <b>\$24,403,000</b> | <b>\$10,642</b>  | <b>Credit Card Lender-No AA</b>                     |
| 6   | HSBC BANK USA, NA                    | 1,963              | \$182,859,000       | \$93,153         | Bank with AAs in 6 counties                         |
| 7   | <b>GE CAPITAL FINANCIAL INC.</b>     | <b>1,844</b>       | <b>\$7,895,000</b>  | <b>\$4,281</b>   | <b>Credit Card Lender-No AA</b>                     |
| 8   | MANUFACTURERS & TRADERS TRUST        | 1,696              | \$337,058,000       | \$198,737        | Bank with AAs in 7 counties                         |
| 9   | <b>BANK OF AMERICA, NA-USA</b>       | <b>1,571</b>       | <b>\$19,762,000</b> | <b>\$12,579</b>  | <b>Credit Card Lender-Bank has AA in 6 Counties</b> |
| 10  | WELLS FARGO BANK, NA                 | 874                | \$28,640,000        | \$32,769         | Bank with no AAs                                    |
| 11  | <b>MBNA AMERICA DELAWARE, N.A.</b>   | <b>861</b>         | <b>\$5,631,000</b>  | <b>\$6,540</b>   | <b>Credit Card Lender-Bank has AA in 6 Counties</b> |
| 12  | <b>FIA CARD SERVICES, N.A.</b>       | <b>854</b>         | <b>\$7,813,000</b>  | <b>\$9,149</b>   | <b>Credit Card Lender-Bank has AA in 6 Counties</b> |
| 13  | Five Star Bank                       | 833                | \$74,875,000        | \$89,886         | Bank with AAs in 7 counties                         |
| 14  | CITIZENS BANK, N.A.                  | 504                | \$29,582,000        | \$58,694         | Bank with AAs in 6 counties                         |
| 15  | THE BANK OF CASTILE                  | 360                | \$40,920,000        | \$113,667        | Bank with AAs in 5 counties                         |
| 16  | JPMorgan Chase Bank, NA              | 359                | \$35,564,000        | \$99,064         | Bank with AAs in 3 counties                         |
| 17  | FIRST NIAGARA BANK                   | 269                | \$39,535,000        | \$146,970        | Bank with AAs in 5 counties                         |
| 18  | BANK OF AMERICA, N.A.                | 235                | \$30,998,000        | \$131,906        | Bank with AAs in 6 counties                         |
| 19  | <b>Washington Mutual Bank</b>        | <b>230</b>         | <b>\$1,421,000</b>  | <b>\$6,178</b>   | <b>Credit Card Lender-No AA</b>                     |
| 20  | <b>GE Money Bank</b>                 | <b>228</b>         | <b>\$541,000</b>    | <b>\$2,373</b>   | <b>Credit Card Lender-No AA</b>                     |
| 21  | <b>Discover Bank</b>                 | <b>227</b>         | <b>\$2,001,000</b>  | <b>\$8,815</b>   | <b>Credit Card Lender-No AA</b>                     |
| 22  | Community Bank NA                    | 195                | \$11,352,000        | \$58,215         | Bank with AAs in 5 counties                         |
| 23  | CITIBANK, N.A.                       | 161                | \$19,146,000        | \$118,919        | Bank with no AAs                                    |
| 24  | KEYBANK NATIONAL ASSOCIATION         | 141                | \$29,038,000        | \$205,943        | Bank with AAs in 5 counties                         |
| 25  | <b>US BANK NORTH DAKOTA</b>          | <b>34</b>          | <b>\$284,000</b>    | <b>\$8,353</b>   | <b>Credit Card Lender-No AA</b>                     |
| <b>Lenders highlighted in brown are credit card lenders affiliated with a financial holding company with Assessment Areas in the 9 counties</b> |                                      |                    |                     |                  |   |
| <b>Lenders highlighted in red are credit card lenders whose affiliates have no Assessment Areas in the 9 counties</b>                           |                                      |                    |                     |                  |   |
| The Finger Lakes 9 County Region includes: Monroe, Orleans, Genesee, Wyoming, Livingston, Ontario, Yates, Seneca & Wayne Counties.              |                                      |                    |                     |                  |   |
| Source: Rural Opportunities, Inc., which obtained it from 2006 CRA data from the FFIEC.   |                                      |                    |                     |                  |   |

| <b>Table 4B: Finger Lakes 9 County 2006 CRA SB Loans</b>  |                                      | <b>Nine County</b> | <b>Nine County</b>  | <b>Average</b>   | <b>Status -Type of Lender</b>                       |
|---|--------------------------------------|--------------------|---------------------|------------------|---|
| (All small business loans as reported to FFIEC)   |                                      | <b># of Loans</b>  | <b>\$ of Loans</b>  | <b>Loan size</b> | <b>CRA Assessment Area (AA)</b>                     |
| Ordered By Total Dollars of Loans   |                                      |                    |                     |                  |   |
| Rank  |                                      |                    |                     |                  |   |
| 1   | MANUFACTURERS & TRADERS TRUST        | 1,696              | \$337,058,000       | \$198,737        | Bank with AAs in 7 counties                         |
| 2   | HSBC BANK USA, NA                    | 1,963              | \$182,859,000       | \$93,153         | Bank with AAs in 6 counties                         |
| 3   | Five Star Bank                       | 833                | \$74,875,000        | \$89,886         | Bank with AAs in 7 counties                         |
| 4   | <b>Chase Manhattan Bank USA, NA</b>  | <b>5,877</b>       | <b>\$52,471,000</b> | <b>\$8,928</b>   | <b>Credit Card Lender-Bank has AA in 3 counties</b> |
| 5   | THE BANK OF CASTILE                  | 360                | \$40,920,000        | \$113,667        | Bank with AAs in 5 counties                         |
| 6   | FIRST NIAGARA BANK                   | 269                | \$39,535,000        | \$146,970        | Bank with AAs in 5 counties                         |
| 7   | JPMorgan Chase Bank, NA              | 359                | \$35,564,000        | \$99,064         | Bank with AAs in 3 counties                         |
| 8   | BANK OF AMERICA, N.A.                | 235                | \$30,998,000        | \$131,906        | Bank with AAs in 6 counties                         |
| 9   | <b>AMERICAN EXPRESS BK FSB</b>       | <b>8,537</b>       | <b>\$30,315,000</b> | <b>\$3,551</b>   | <b>Credit Card Lender-No AA</b>                     |
| 10  | CITIZENS BANK, N.A.                  | 504                | \$29,582,000        | \$58,694         | Bank with AAs in 6 counties                         |
| 11  | KEYBANK NATIONAL ASSOCIATION         | 141                | \$29,038,000        | \$205,943        | Bank with AAs in 5 counties                         |
| 12  | <b>CITIBANK (SOUTH DAKOTA), N.A.</b> | <b>5,557</b>       | <b>\$28,779,000</b> | <b>\$5,179</b>   | <b>Credit Card Lender-No AA</b>                     |
| 13  | WELLS FARGO BANK, NA                 | 874                | \$28,640,000        | \$32,769         | Bank with no AAs                                    |
| 14  | <b>Advanta Bank Corp</b>             | <b>2,293</b>       | <b>\$24,403,000</b> | <b>\$10,642</b>  | <b>Credit Card Lender-No AA</b>                     |
| 15  | <b>Capital One, F.S.B.</b>           | <b>3,130</b>       | <b>\$20,436,000</b> | <b>\$6,529</b>   | <b>Credit Card Lender-No AA</b>                     |
| 16  | <b>BANK OF AMERICA, NA-USA</b>       | <b>1,571</b>       | <b>\$19,762,000</b> | <b>\$12,579</b>  | <b>Credit Card Lender-Bank has AA in 6 counties</b> |
| 17  | CITIBANK, N.A.                       | 161                | \$19,146,000        | \$118,919        | Bank with no AAs                                    |
| 18  | Community Bank NA                    | 195                | \$11,352,000        | \$58,215         | Bank with AAs in 5 counties                         |
| 19  | <b>GE CAPITAL FINANCIAL INC.</b>     | <b>1,844</b>       | <b>\$7,895,000</b>  | <b>\$4,281</b>   | <b>Credit Card Lender-No AA</b>                     |
| 20  | <b>FIA CARD SERVICES, N.A.</b>       | <b>854</b>         | <b>\$7,813,000</b>  | <b>\$9,149</b>   | <b>Credit Card Lender-Bank has AA in 6 counties</b> |
| 21  | <b>MBNA AMERICA DELAWARE, N.A.</b>   | <b>861</b>         | <b>\$5,631,000</b>  | <b>\$6,540</b>   | <b>Credit Card Lender-Bank has AA in 6 counties</b> |
| 22  | WACHOVIA BANK                        | 10                 | \$3,035,000         | \$303,500        | Bank with no AAs                                    |
| 23  | TOMPKINS TRUST COMPANY               | 8                  | \$2,941,000         | \$367,625        | Bank with no AAs                                    |
| 24  | SUNTRUST BANKS, INC                  | 14                 | \$2,901,000         | \$207,214        | Bank with no AAs                                    |
| 25  | <b>Discover Bank</b>                 | <b>227</b>         | <b>\$2,001,000</b>  | <b>\$8,815</b>   | <b>Credit Card Lender-No AA</b>                     |
| <b>Lenders highlighted in brown are credit card lenders affiliated with a financial holding company with Assessment Areas in the 9 counties</b> |                                      |                    |                     |                  |   |
| <b>Lenders highlighted in red are credit card lenders whose affiliates have no Assessment Areas in the 9 counties</b>                           |                                      |                    |                     |                  |   |
| The Finger Lakes 9 County Region includes: Monroe, Orleans, Genesee, Wyoming, Livingston, Ontario, Yates, Seneca & Wayne Counties.              |                                      |                    |                     |                  |   |
| Source: Rural Opportunities, Inc., which obtained it from 2006 CRA data from the FFIEC.   |                                      |                    |                     |                  |   |

**Table 5: Top 8 Banks Small Business Administration (SBA) Lending Through the Rochester Branch Office, NY 2004-2007**

| <b>(All 7(a) Loan Programs, Fiscal Year End September 2001-2007)</b>   |             |               |            |                 |              |                        |            |             |                |              |             |
|--|-------------|---------------|------------|-----------------|--------------|------------------------|------------|-------------|----------------|--------------|-------------|
| <b>Total 7(a) Loans</b>  |             |               |            |                 |              |                        |            |             |                |              |             |
|  | <b>AFI</b>  | <b>B of A</b> | <b>CNB</b> | <b>Citizens</b> | <b>Chase</b> | <b>Citi/Five Star*</b> | <b>Key</b> | <b>HSBC</b> | <b>M&amp;T</b> | <b>Top 8</b> | <b>OFI</b>  |
| 2004   | 270         | 19            | 10         | 1               | 21           | 8                      | 12         | 52          | 48             | 171          | 99          |
| 2005   | 834         | 28            | 14         | 397             | 23           | 3                      | 9          | 91          | 164            | 729          | 105         |
| 2006   | 680         | 37            | 4          | 177             | 19           | 46                     | 16         | 84          | 160            | 543          | 137         |
| 2007   | 530         | 24            | 11         | 71              | 35           | 49                     | 9          | 35          | 142            | 376          | 154         |
| <b>Marketshare</b>   |             | <b>B of A</b> | <b>CNB</b> | <b>Citizens</b> | <b>Chase</b> | <b>Citi/Five Star*</b> | <b>Key</b> | <b>HSBC</b> | <b>M&amp;T</b> | <b>Top 8</b> | <b>OFI</b>  |
| 2004   |             | 7.0%          | 3.7%       | 0.4%            | 7.8%         | 3.0%                   | 4.4%       | 19.3%       | 17.8%          | 63%          | 37%         |
| 2005   |             | 3.4%          | 1.7%       | 47.6%           | 2.8%         | 0.4%                   | 1.1%       | 10.9%       | 19.7%          | 87.4%        | 12.6%       |
| 2006   |             | 5.4%          | 0.6%       | 26.0%           | 2.8%         | 6.8%                   | 2.4%       | 12.4%       | 23.5%          | 79.9%        | 20.1%       |
| 2007   |             | 4.5%          | 2.1%       | 13.4%           | 6.6%         | 9.2%                   | 1.7%       | 6.6%        | 26.8%          | 70.9%        | 29.1%       |
| <b>Total Amount of 7(a) Loans (Thousands of Dollars)</b>   |             |               |            |                 |              |                        |            |             |                |              |             |
|  | <b>AFI</b>  | <b>B of A</b> | <b>CNB</b> | <b>Citizens</b> | <b>Chase</b> | <b>Citi/Five Star*</b> | <b>Key</b> | <b>HSBC</b> | <b>M&amp;T</b> | <b>Top 8</b> | <b>OFI</b>  |
| 2004   | \$36,283.54 | \$725.0       | \$2,399.5  | \$250.0         | \$1,682.6    | \$789.0                | \$3,130.0  | \$4,220.7   | \$7,511.5      | \$20,708.3   | \$ 15,575.2 |
| 2005   | \$65,346.40 | \$632.5       | \$1,866.0  | \$13,063.3      | \$1,070.6    | \$70.0                 | \$3,493.2  | \$7,590.0   | \$15,449.6     | \$43,235.2   | \$ 22,111.2 |
| 2006   | \$61,017.80 | \$1,165.0     | \$441.3    | \$5,039.3       | \$1,117.5    | \$2,081.9              | \$3,165.2  | \$6,001.1   | \$17,338.9     | \$36,350.2   | \$ 24,667.6 |
| 2007   | \$56,049.50 | \$837.1       | \$731.3    | \$1,657.7       | \$1,287.7    | \$2,969.8              | \$1,636.0  | \$2,610.6   | \$13,853.0     | \$25,583.2   | \$ 30,466.3 |
| <b>Rank Among All SBA Lenders**</b>  |             | <b>B of A</b> | <b>CNB</b> | <b>Citizens</b> | <b>Chase</b> | <b>Citi/Five Star*</b> | <b>Key</b> | <b>HSBC</b> | <b>M&amp;T</b> |              |             |
| 2004   |             | 14            | 5          | 20              | 8            | 13                     | 4          | 3           | 1              |              |             |
| 2005   |             | 18            | 9          | 2               | 14           | 23                     | 5          | 3           | 1              |              |             |
| 2006   |             | 15            | 20         | 4               | 16           | 8                      | 6          | 3           | 1              |              |             |
| 2007   |             | 13            | 15         | 10              | 12           | 6                      | 11         | 7           | 1              |              |             |
| <b>Marketshare</b>   |             | <b>B of A</b> | <b>CNB</b> | <b>Citizens</b> | <b>Chase</b> | <b>Citi/Five Star*</b> | <b>Key</b> | <b>HSBC</b> | <b>M&amp;T</b> | <b>Top 8</b> | <b>OFI</b>  |
| 2004   |             | 2.0%          | 6.6%       | 0.7%            | 4.6%         | 2.2%                   | 8.6%       | 11.6%       | 20.7%          | 57%          | 43%         |
| 2005   |             | 1.0%          | 2.9%       | 20.0%           | 1.6%         | 0.1%                   | 5.3%       | 11.6%       | 23.6%          | 66.2%        | 33.8%       |
| 2006   |             | 1.9%          | 0.7%       | 8.3%            | 1.8%         | 3.4%                   | 5.2%       | 9.8%        | 28.4%          | 59.6%        | 40.4%       |
| 2007   |             | 1.5%          | 1.3%       | 3.0%            | 2.3%         | 5.3%                   | 2.9%       | 4.7%        | 24.7%          | 45.6%        | 54.4%       |
| Notes: * SBA lending information is for Citibank through 2005 (whose branches were acquired by M&T Bank in mid-2006), and for Five Star Bank in 2006 and 2007. |             |               |            |                 |              |                        |            |             |                |              |             |
| ** Ranking by total dollar amount among ALL SBA 7(a) loan program lenders.   |             |               |            |                 |              |                        |            |             |                |              |             |
| Counties served by the Rochester Branch Office are: Monroe, Ontario, Seneca, Yates and Livingston. AFI: All SBA Lenders; OFI: Other SBA Lenders.               |             |               |            |                 |              |                        |            |             |                |              |             |
| Prepared by: Empire Justice Center, 05/27/08, 585-454-4060   |             |               |            |                 |              |                        |            |             |                |              |             |