



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Washington, DC 20219

PUBLIC DISCLOSURE

December 10, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community National Bank
Charter Number: 24523

400 Broad Hollow Road
Suite 305
Melville, New York 11747

Office of the Comptroller of the Currency

New York Field Office
Harborside Financial Center
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The primary factors supporting the overall rating are:

- Community National Bank's (CNB) quarterly average net loan-to-deposit ratio is more than reasonable given its size, financial condition and credit needs of the assessment area;
- The bank originated a substantial majority of its loans inside the bank's assessment areas;
- The geographic distribution of loans reflects reasonable dispersion among geographies of different incomes; and
- The bank's level of community development (CD) activities demonstrates adequate responsiveness to the CD needs in the AAs given the bank's capacity and CD opportunities within the AAs.

Scope of Examination

Community National Bank (CNB) was evaluated under the Intermediate Small Bank examination procedures, which includes a lending test and a community development (CD) test. The lending test evaluates the bank's record of meeting the credit needs of its assessment areas (AAs) through its lending activities during the period January 1, 2011 through December 9, 2013. Specific to commercial loans, the period was from January 1, 2011 through November 20, 2013. The CD test evaluates the bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and CD services. The evaluation incorporates a review period from November 16, 2010 through December 10, 2013.

CNB's primary loan types are commercial loans and home loans. The bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). A data integrity examination was performed in March 2013. Examiners concluded that the information reported on the HMDA Loan Application Register for the period between January 1, 2011 through December 31, 2012 was accurate and reliable. Additionally, examiners concluded that the processes and internal controls for HMDA data collection, verification and reporting were satisfactory.

Description of Institution

Community National Bank is a full-service intrastate community bank that is headquartered in Melville, New York. While the headquarters and executive offices moved in 2013, specific operational functions remain housed at the Great Neck branch. In total there are eleven branches located in New York, Queens, Nassau and Suffolk counties of New York. The majority of branches are located in Nassau County. Four branches opened since the prior CRA examination. As of September 30, 2013, the bank reported total assets of \$797 million and Tier one capital of \$73.1 million.

As of September 30, 2013, the bank reported net loans and leases of \$607 million. The primary loan types continue to be 1-4 family residential loans and commercial loans. Commercial loan products include construction, commercial real estate, and commercial and industrial (C&I) which includes SBA-guaranteed loans. Real estate loans represent the majority of the loan portfolio and comprise approximately 70 percent of average loans while C&I makeup the remaining 30 percent.

CNB operates in a highly competitive financial services market of metropolitan and Long Island New York. Despite mergers and acquisitions between financial institutions, there continues to be intense competition between large multinational financial institutions, regional banks, local savings bank, credit unions and mortgage companies. The FDIC Summary of Deposits Report ranked CNB 89th in the share of deposits within the New York-Northern New Jersey-Long Island metropolitan statistical area (MSA), which represents 0.05 percent of the market. The five largest banks by deposit share are JPMorgan Chase Bank (34.68%), The Bank of New York Mellon (8.09%), Bank of America (7.54%), Citibank (6.20%) and HSBC (4.97%).

There was no merger or acquisition activity that impacted the scope of the bank's operations during the CRA evaluation period. The bank does not have any banking subsidiaries or affiliates. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA.

Description of Assessment Areas

Community National Bank's assessment area consists of the following six counties of New York: Kings, Queens, New York, Bronx, Nassau and Suffolk. These counties are located in two adjacent Metropolitan Divisions of the New York-Northern New Jersey-Long Island MSA (35620). Kings, Queens, Bronx and New York counties are part of the New York-White Plains-Wayne MD (35644). Nassau and Suffolk counties are part of the Nassau-Suffolk MD (35004).

Nassau and Suffolk (35004)

The Nassau and Suffolk county assessment area contains 607 census tracts that are located in the two counties. The bank does not exclude any census tracts and therefore, does not arbitrarily exclude low or moderate-income areas. The two counties commonly referred to as Long Island, are two of the richest counties in the country. Nassau county is the 12th richest county in the country and the wealthiest in New York State. Nine of the bank's eleven branches are located throughout this assessment area.

Demographic Information for the Nassau/Suffolk AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	607	2.14	15.82	58.32	22.24
Population by Geography	2,832,882	2.32	17.95	58.87	20.71
Owner-Occupied Housing by Geography	766,459	1.02	14.16	61.25	23.57
Businesses & Farms by Geography	294,901	1.50	14.85	58.92	24.72
Family Distribution by Income Level	715,052	1.58	16.27	59.87	22.27
Household Distribution by Income Level	938,122	1.93	17.26	59.91	20.90
Census Median Family Income (MFI)	101,543	Median Housing Value		501,660	
HUD-Updated MFI	105,900	Households Below the Poverty Level		5.54%	
			Unemployment Rate (06/13)	6.1%	

Source: 2010 U.S. Census Data, Bureau of Labor Statistics, and New York State's Local Area Unemployment Statistics Program

Note: 1.48% of Geographies and 0.15% of Population by Geography are N/A because they have not been assigned an income classification.

The local economy has gathered momentum despite the effects of Hurricane Sandy. Construction remains one of the largest contributors to job growth and although rebuilding is slowing, it will be ongoing for several years. Additionally, growth is expected in the share of population age 65 and older and the healthcare industry will be an important driver of job growth in the coming years.

New York/White Plains/Wayne (35644)

The New York assessment area contains 2,057 census tracts. The county of Staten Island is not included in the bank’s assessment area as there is no branch and minimal if any lending in this area. This assessment area does not arbitrarily exclude any low or moderate-income census tracts. Two of the bank’s eleven branches are located in this assessment area. One branch is located in a moderate-income census tract.

Demographic Information for the New York/White Plains/Wayne AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	2,057	14.10	27.66	30.34	24.94
Population by Geography	7,706,403	17.33	31.28	26.93	24.21
Owner-Occupied Housing by Geography	3,167,517	3.95	18.61	35.16	42.27
Businesses & Farms by Geography	608,830	9.64	20.99	22.37	43.51
Family Distribution by Income Level	1,719,612	17.26	31.14	28.20	23.40
Household Distribution by Income Level	2,882,970	15.33	28.90	26.84	28.91
Census Median Family Income (MFI)		64,171	Median Housing Value		530,354
HUD-Updated MFI		68,300	Households Below the Poverty Level		18.55%
			Unemployment Rate (06/13)		8.5%

Source: 2010 U.S. Census Data and Bureau of Labor Statistics

Note: 2.97% of Geographies and 0.23% of Population by Geography are N/A because they have not been assigned an income classification.

New York City was one of the first metropolitan areas to recoup all of the jobs lost during the recession and until recently, the pace of job growth far exceeded the national average. Construction and leisure/hospitality continue to drive job growth. Construction is spurred by post Hurricane Sandy rebuilding along with a number of large-scale mixed-use projects. The outlook for financial services job and income growth remains weak.

We contacted community-based organizations in Long Island as well as an affordable housing organization in New York City to determine the needs of the assessment area. Both metropolitan districts have a high cost of living and low and moderate-income individuals experience difficulty obtaining mortgages, starting a business, or recovering from a financial setback. Other needs include more flexible mortgage products, deposit accounts with no fees and low balance requirements, counseling and legal services to those facing foreclosure, improving the energy efficiency of the aging housing stock, and grant support for non-profit neighborhood –based community development corporations. The effects of Hurricane Sandy adversely impacted the capacity of small businesses to borrow because of the loss of collateral. Additionally, the needs of non-profit organizations that provide services to low and moderate-income individuals has increased because most of them sustained damages to their properties or staff members experienced personal losses. The effects of Hurricane Sandy have caused many financial institutions to increase their levels of investments and lending in the counties to enhance recovery.

Conclusions with Respect to Performance Tests

LENDING TEST

Community National Bank's performance under the lending test in the Nassau-Suffolk and New York assessment areas is rated Satisfactory. The lending test was based on the total amount of HMDA loans reported during the evaluation period. This included only home purchase and refinance loans as the bank did not originate any home improvement loans. Performance of commercial loans was based on a sample of sixty business loans totaling \$68 million. During the evaluation period, the bank originated 444 commercial loans totaling \$523 million compared with 203 home loans totaling \$112 million, respectively. Therefore, commercial loans are weighted more than home loans when arriving at conclusions. The Nassau-Suffolk assessment area is given slightly more weight as 255 commercial loans were originated in this assessment area compared with 154 in the New York assessment area. Additionally, the majority of the bank's branches are located in Nassau and Suffolk counties. The New York assessment area is still given significant weight as the \$249 million of commercial loans originated outweighs the \$226 million originated in the Nassau-Suffolk assessment area. CNB's quarterly average net loan-to-deposit ratio is more than reasonable given its size, financial condition and credit needs of the assessment area. The bank originated a substantial majority of its loans inside its two assessment areas. The distribution of loans reflects poor penetration among borrowers of different incomes and businesses of different sizes. The geographic distribution of loans reflects reasonable dispersion among geographies of different incomes.

Loan-to-Deposit Ratio

Community National Bank's loan-to-deposit ratio is more than reasonable given its size, financial condition and credit needs of the assessment area. The bank's loan-to-deposit ratio averaged 88.96 percent over the past twelve quarters since the previous CRA examination. The ratio ranged from a quarterly low of 83.52 percent to a quarterly high of 92.28 percent.

The bank's loan-to-deposit ratio compares favorably with two other financial institutions of similar size, location, and product offerings. The loan-to-deposit ratios for the other two banks averaged 65.26 percent and 68.08 percent over the same 12 quarters, respectively.

Lending in Assessment Area

A substantial majority of CNB's primary loan products were made within its assessment area. Approximately 91 percent of all home loans by number and 90 percent by dollar volume were made within the bank's assessment area. Approximately 95 percent of our sample of commercial loans by number and 97 percent by dollar volume were made within its assessment area. In aggregate, 594, or 92 percent of all loans by number, and \$586 million, or 90 percent by dollar volume, were made within the assessment area, respectively.

Table 1 - Lending in Nassau-Suffolk or NYC Assessment Area 2011										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	31	91.18	3	8.82	34	17,602	89.48	2,070	10.52	\$19,672
Refinance	33	100.00	0	0.00	33	25,805	100.00	0	0.00	\$25,805
Totals	64	95.52	3	4.48	67	43,407	95.45	2,070	4.55	\$45,477

Table 1 - Lending in Nassau-Suffolk or NYC Assessment Area 2012-2013										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	68	91.89	6	8.11	74	34,966	87.78	4,869	12.22	\$39,835
Refinance	53	85.48	9	14.52	62	34,306	85.57	5,783	14.43	\$40,089
Totals	121	88.97	15	11.03	136	\$69,272	86.67	\$10,652	13.33	\$79,924

Table 1 – Commercial Lending in Nassau-Suffolk or NYC Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	
Business Loans	57	95.00	3	5.00	60	66,081	97.01	2,040	2.99	\$68,121

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

CNB’s lending to borrowers of different incomes and borrowers of different sizes reflects poor penetration.

Performance in the Nassau-Suffolk AA

The distribution of loans in the Nassau-Suffolk assessment area reflects poor penetration among borrowers of different incomes and businesses of different sizes. The 2010 Census data indicates that the median housing value is \$502 thousand which makes it very difficult for low and moderate-income borrowers to purchase a home given that the median income is less than \$102 thousand.

The distribution of home loans to borrowers reflects poor penetration. For 2011, home purchase and refinance loans to low-income borrowers was significantly lower than the distribution of low-income families in the assessment area. Home purchase loans to moderate-income borrowers exceeded the distribution of moderate-income families. Home refinance loans to moderate-income borrowers was significantly lower than the distribution of moderate-income families in the assessment area. Again, this is reflection of the high housing values and significantly lower median income in this assessment area.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Nassau/Suffolk 2011								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	18.03	0	18.61	50	24.19	0	39.18	50
Home Refinance	18.03	0	18.61	0	24.19	0	39.18	100

Similarly, for 2012 through 2013, home purchase and refinance loans to low- and moderate-income borrowers was significantly lower than the distribution of low- and moderate-income families in the assessment area.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Nassau/Suffolk 2012/2013								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	1.58	0	16.27	0	59.87	11.11	22.27	88.89
Home Refinance	1.58	0	16.27	0	59.87	13.33	22.27	86.67

The distribution of loans to businesses reflects poor penetration among businesses of different sizes. For 2011, loans to small businesses was lower than the distribution of small businesses in the assessment area.

Table 2A - Borrower Distribution of Loans to Businesses in Nassau-Suffolk Assessment Area 2011				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.30%	3.62%	25.09%	100%
% of Bank Loans in AA by #	36.36%	63.64%		100%
% of Bank Loans in AA by \$	27.27%	72.73%		100%

For 2012 through 2013, loans to small businesses was lower than the distribution of small businesses in the assessment area.

Table 2A - Borrower Distribution of Loans to Businesses in Nassau-Suffolk Assessment Area 2012-2013				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	76.77%	4.92%	18.31%	100%
% of Bank Loans in AA by #	41.67	58.33		100%
% of Bank Loans in AA by \$	39.85	60.15		100%

Performance in the New York AA

The distribution of loans in the New York assessment area reflects poor penetration among borrowers of different incomes and businesses of different sizes. The 2010 Census data indicates that the median housing value is \$530 thousand which makes it very difficult for low and moderate-income borrowers to purchase a home given the high value. This combined with the HUD updated median family income of only \$68 thousand creates little opportunity for low and moderate-income borrowers to purchase a home. Additionally, nearly 19 percent of households live below the poverty level in the New York assessment area.

The distribution of home loans to borrowers reflects poor penetration. For 2011, home purchase and refinance loans to low- and moderate-income borrowers was significantly lower than the distribution of low- and moderate-income families in the assessment area.

Table 2 - Borrower Distribution of Residential Real Estate Loans in NYC 2011								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	31.77	0	16.99	0	16.98	0	34.26	100
Home Refinance	31.77	0	16.99	0	16.98	0	34.26	100

For 2012 through 2013, home purchase and refinance loans to low- and moderate-income borrowers was significantly lower than the distribution of low- and moderate-income families in the assessment area. As noted above, this is likely due to the low median income and high median housing value, making it difficult for low and moderate income borrowers to obtain mortgages.

Table 2 - Borrower Distribution of Residential Real Estate Loans in NYC 2012/2013								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	17.26	0	31.14	0	28.20	6.78	26.84	91.53
Home Refinance	17.26	0	31.14	0	28.20	0	26.84	100

The distribution of loans to businesses reflects very poor penetration among businesses of different sizes. For 2011, loans to small businesses was significantly lower than the distribution of small businesses in the assessment area.

Table 2A - Borrower Distribution of Loans to Businesses in NYC Assessment Area 2011				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	64.89%	3.78%	31.33%	100%
% of Bank Loans in AA by #	12.50%	87.50%		100%
% of Bank Loans in AA by \$	18.33%	81.67%		100%

For 2012 through 2013, loans to small businesses was lower than the distribution of small businesses in the assessment area.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	71.79%	5.52%	22.69%	100%
% of Bank Loans in AA by #	28.57%	71.43%		100%
% of Bank Loans in AA by \$	18.94%	81.06%		100%

Geographic Distribution of Loans

CNB’s geographic distribution of loans represents reasonable dispersion. This assessment is based on the reasonable overall performance in both AAs. More consideration is given to the geographic distribution of loans to businesses in both assessment areas.

Performance in the Nassau-Suffolk AA

The geographic distribution of loans in the Nassau-Suffolk assessment area reflects reasonable dispersion among geographies of different incomes. The bank made a total of \$225 million of commercial loans in this assessment area during the evaluation period compared with \$18 million of home loans. Therefore, commercial loans are given more consideration.

The bank’s geographic distribution of home loans reflects poor dispersion among census tracts of different income levels. For 2011, the distribution of home purchase and refinance loans in low-income geographies was lower than the distribution of low-income geographies in the assessment area. As indicated in the table below, there is a minimal amount of owner-occupied housing in low-income tracts. The distribution of home purchase and refinance loans in moderate-income geographies was significantly lower than the distribution of low- and moderate-income geographies in the assessment area.

Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.22	0	12.21	0	66.17	0	21.40	100
Home Refinance	0.22	0	12.21	0	66.17	33.33	21.40	66.67

For 2012 through 2013, the distribution of home purchase and refinance loans in low-income geographies was lower than the distribution of low-income geographies in the assessment area. As indicated in the table below, there is a minimal amount of owner-occupied housing in low-income tracts. The distribution of home purchase loans in moderate-income geographies was significantly lower than the distribution of moderate-income geographies in the assessment area. The distribution of refinance loans in moderate-income geographies was lower than the distribution of moderate-income geographies in the assessment area.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	1.02	0	14.16	0	61.25	44.44	23.57	55.56
Home Refinance	1.02	0	14.16	6.67	61.25	73.33	31.95	20.00

CNB’s geographic distribution of commercial loans throughout the AA reflects reasonable dispersion. For 2011, loans to small businesses in low-income geographies is lower than the distribution of small businesses in the assessment area’s low-income geographies. Loans to small businesses in moderate-income geographies is near to the distribution of small businesses in the assessment area’s moderate-income geographies.

Census Tract Income Level	Low		Moderate		Middle		Upper		Unknown	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business Loans	0.67%	0.00%	14.07%	9.09%	62.81%	36.36%	19.77%	54.55%	2.68%	0.00%

For 2012 through 2013, loans to small businesses in low-income geographies is lower than the distribution of small businesses in the assessment area’s low-income geographies. Loans to small businesses in moderate-income geographies exceeds the distribution of small businesses in the assessment area’s moderate-income geographies.

Census Tract Income Level	Low		Moderate		Middle		Upper		Unknown	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business Loans	2.14%	0.00%	15.82%	20.83%	58.32%	66.67%	22.24%	12.50%	1.48%	0.00%

Performance in the New York AA

The geographic distribution of loans in the New York assessment area reflects reasonable dispersion among geographies of different incomes. The bank made a total of \$249 million of commercial loans in this assessment area during the evaluation period compared with \$94 million of home loans. Therefore, commercial loans are given more consideration.

The bank’s geographic distribution of home loans reflects poor dispersion among census tracts of different income levels. For 2011, the distribution of home purchase and refinance loans in low-income geographies was lower than the distribution of low-income geographies in the assessment area. As indicated in the table below, there is a limited amount of owner-occupied housing in low-income tracts. The distribution of home purchase and refinance loans in moderate-income geographies was significantly lower than the distribution of low- and moderate-income geographies in the assessment area.

Table 3 - Geographic Distribution of Residential Real Estate Loans in NYC 2011								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3.65	0	19.00	0	36.36	12.5	40.99	87.5
Home Refinance	3.65	0	19.00	0	36.36	3.33	40.99	96.67

For 2012 through 2013, the distribution of home purchase loans in low-income geographies is near to the distribution of low-income geographies in the assessment area. The distribution of refinance loans in low- income geographies was lower than the distribution of low-income geographies in the assessment area. As indicated in the table below, there is a limited amount of owner-occupied housing in low-income tracts. The distribution of home purchase loans in moderate-income geographies was lower than the distribution of moderate-income geographies in the assessment area. The distribution of refinance loans in moderate-income geographies was significantly lower than the distribution of moderate-income geographies in the assessment area.

Table 3 - Geographic Distribution of Residential Real Estate Loans in NYC 2012/2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3.95	1.69	18.61	5.08	35.17	6.78	42.27	86.44
Home Refinance	3.95	0	18.61	0	35.17	13.16	42.27	86.84

CNB’s geographic distribution of commercial loans throughout the AA reflects reasonable dispersion. For 2011, loans to small businesses in low-income geographies exceeds the distribution of small businesses in the assessment area’s low-income geographies. Loans to small businesses in moderate-income geographies is lower than the distribution of small businesses in the assessment area’s moderate-income geographies.

Table 3A - Geographic Distribution of Loans to Businesses in NYC Assessment Area 2011										
Census Tract Income Level	Low		Moderate		Middle		Upper		Unknown	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businessess/Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businessess/Farms	% of Number of Loans
Business Loans	15.33%	25.00%	28.57%	12.50%	30.09%	12.50%	23.25%	37.50%	2.66%	12.50%

For 2012 through 2013, loans to small businesses in low-income geographies is significantly lower than the distribution of small businesses in the assessment area’s low-income geographies. Loans to small businesses in moderate-income geographies exceeds the distribution of small businesses in the assessment area’s moderate-income geographies.

Table 3A - Geographic Distribution of Loans to Businesses in NYC Assessment Area 2012/2013										
Census Tract Income Level	Low		Moderate		Middle		Upper		Unknown	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businessess/Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businessess/Farms	% of Number of Loans
Business Loans	14.10%	0.00%	27.66%	50.00%	30.34%	21.43%	24.94%	21.43%	2.97%	7.14%

Responses to Complaints

We ran a report of customer complaints/inquiries from November 1, 2010 through December 10, 2013 through the CAG Wizard. There were no CRA-related complaints filed during the period.

COMMUNITY DEVELOPMENT TEST

CNB's performance under the community development test is rated "Satisfactory." CNB's performance in the Nassau-Suffolk assessment area is satisfactory. Similarly, performance in the New York assessment area is also satisfactory. The originated community development loans, investments and services demonstrate adequate responsiveness to the needs of the AAs.

Number and Amount of Community Development Loans

Nassau-Suffolk AA

The amount of CD loans originated in the Nassau-Suffolk assessment area is adequately responsive to the needs of the community. The bank originated three loans totaling \$2.7 million to three different businesses. The bank continues its relationship with a not-for-profit organization providing food as well as job training, child care and other services for low and moderate income individuals. The bank originated a \$300 thousand line of credit in 2010 and renewed each year thereafter.

The bank originated a \$2.1 million loan and a \$305 thousand loan to businesses located in the Nassau/Suffolk AA under the Federal Home Loan Bank of New York's Disaster Relief Funding program.

New York AA

The amount of CD loans originated in the New York assessment area is adequately responsive to the needs of the community. The bank originated ten community development loans totaling \$16.95 million to seven different businesses. The bank originated two loans totaling \$524 thousand to an organization that provides services to people with special needs and serves as an advocate in the areas of education, vocational training, legislation and professional development.

The bank originated two loans totaling \$3.4 million to fund the cost to move a women's health center to a moderate-income census tract of Jamaica, NY. Its mission is to create and deliver high quality medical/surgical treatment, physician, and other related gynecological/prenatal healthcare services.

The bank originated a \$3.2 million commercial mortgage of a property located in a low-income census tract. The long-term lessee is a pharmacy that provides necessary goods and services to neighborhood and its residences.

The bank originated three loans totaling \$8.45 million to three businesses under the Federal Home Loan Bank of New York's Disaster Relief Funding program.

Number and Amount of Qualified Investments

The level of qualified investments demonstrates adequate responsiveness to the community needs of the Nassau-Suffolk and New York assessment areas. The bank made eight qualified investments totaling \$6.6 million during the evaluation period. The majority of the total came from one Fannie-Mae investment totaling \$5.6 million secured by an affordable housing property subject to income restrictions where 58 of 59 units must be leased to tenants of low household incomes. Collateral is located in the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area. Other investments include a \$1 million investment in a fund that invests in small businesses. CNB also made six donations totaling \$214 thousand. Two donations of \$100 thousand each were made to two community development corporations.

Nassau-Suffolk AA

The bank made total donations of \$113 thousand to three different organizations within this AA.

New York AA

The bank made total donations of \$104 thousand to two different organizations within this AA.

Extent to Which the Bank Provides Community Development Services

The level of community development services offered in the bank's AAs is adequate.

Nassau-Suffolk AA

An executive officer is a Board member for an organization that frequently advises and assists women-owned small businesses regarding credit and financial needs of their businesses.

A senior officer serves on the Executive Board and as Treasurer for an organization helps raise funds for local charities so that they can provide health and human services to the people of Huntington. The organization partners with other groups to provide food to food pantries and soup kitchens, as well as sponsors programs to assist low income single heads of families to gain job skills and vocational training.

Responsiveness to Community Development Needs

The bank responds adequately to the community development needs of the AAs.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.