Public Folder

Community Reinvestment Act
&
Home Mortgage Disclosure Act

Related Information

NorthEast® Community Bank

COMMUNITY REINVESTMENT ACT NOTICE

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA Performance Evaluation, prepared by the FDIC, and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us:

(1) A map showing the facility-based assessment area containing this branch, which is the area in which the FDIC evaluates our CRA performance in this community;

(2) Information about our branches in this facility-based assessment area;

(3) A list of services we provide at those locations;

(4) Data on our lending performance in this facility-based assessment area; and

(5) Copies of all written comments received by us that specifically relate to our CRA performance in this facility-based assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan. [If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available on our website www.necb.com and at either:

- NorthEast Community Bank, 325 Hamilton Avenue, White Plains, NY 10601
- NorthEast Community Bank, 87 Elm Street, Danvers, MA 01923

At least 30 days before the beginning of each calendar quarter, the FDIC publishes a list of the banks that are scheduled for CRA examination by the FDIC for the next two quarters. This list is available through the FDIC's website at FDIC.gov.

You may send written comments about our performance in helping to meet community credit needs to CRA Officer, NorthEast Community Bank, 325 Hamilton Avenue, White Plains, NY 10601, and/or to the FDIC Regional Director, 350 Fifth Avenue, Suite 1200, New York, NY 10118. You may also submit comments electronically to the FDIC through the FDIC's website at FDIC.gov/regulations/cra. Your written comment, together with any response by us, will be considered by the FDIC, in evaluating our CRA performance and may be made public. You may ask to look at any comments received by the FDIC Regional Director.

You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of NorthEast Community Bancorp, a bank holding company. You may request from the CRA Officer, Federal Reserve Bank of NY, 33 Liberty Street, New York, NY 10045, an announcement of applications covered by the CRA filed by bank holding companies.

Table of Contents

Mr. Charles A. Martinek

SVP, Chief Compliance Officer

NorthEast Community Bank

Corporate Headquarters

325 Hamilton Avenue

White Plains, NY 10601

Phone: (914) 684-2500

Fax: (914) 684-0730

NorthEast Community Bank

LOCATIONS

Corporate Headquarters - White Plains, NY
325 Hamilton Avenue White Plains, NY
10601 (914) 684-2500

Loan Production Office - New City, NY
301 North Main St., Ste. 5, New City, NY
10956 (845) 634-7200

Branch Administration - Danvers, MA
87 Elm Street, Danvers, MA 01923
(978) 762-6326

Branch - Monroe, NY
1 Freeland Street, Monroe, NY
10950 (845) 395-3300

Branch - Monsey, NY
166 Route 59, Monsey, NY 10952
(845) 356-5538

Branch - Bloomingburg, NY
3 Winterton, Bloominburg, NY 12721
(845) 306-4600

Branch - Lenox Hill
1355 1st Avenue, New York, NY
10021 (212) 288-2005

Branch - Chelsea
242 West 23rd St., New York, NY
10011 (212) 366-1100

Branch - Fordham
590 East 187th Street, Bronx, NY
10458 (718) 584-7400

Branch - Spring Valley, NY
72 West Eckerson Rd., Spring Valley, NY
10977 (845) 356-5300

Branch – Palm Tree (Village of Kiryas Joel), **NY** 52 Bakertown Rd, Unit 205-206
Monroe, NY 10950
(845) 395-3200

Branch - Danvers, MA
87 Elm Street, Danvers, MA
01923 (978) 646-8880

Branch - Framingham, MA
35 Edgell Road, Framingham, MA
01701 (508) 879-0006

Branch - Quincy, MA
281 Quincy Avenue, Quincy, MA
02169 (617) 689-8826

NorthEast Community Bank

HOURS

New York Metro Branch Hours

Monday through Thursday 9:00 AM - 4:00 PM | Friday 9:00 AM - 6:00 PM
Lenox Hill: Saturday 10:00 AM - 1: 00 PM
Chelsea: Saturday 10:00 AM - 1: 00 PM
Fordham: Saturday 9:00 AM - 1:00 PM

Spring Valley, NY, Branch Hours

Monday through Friday 9:00 AM - 5:00 PM
Saturday 9:00 AM - 1:00 PM
Sunday 10:00 AM - 1:00PM

Monroe, NY, Branch Hours

Monday through Friday 9:00 AM - 5:00 PM
Saturday 9:00 AM - 1:00 PM
Sunday Closed

Monsey, NY, Branch Hours

Monday through Friday 9:00 AM - 5:00 PM
Saturday Closed
Sunday 10:00 AM - 1:00PM

Bloomingburg, NY, Branch Hours

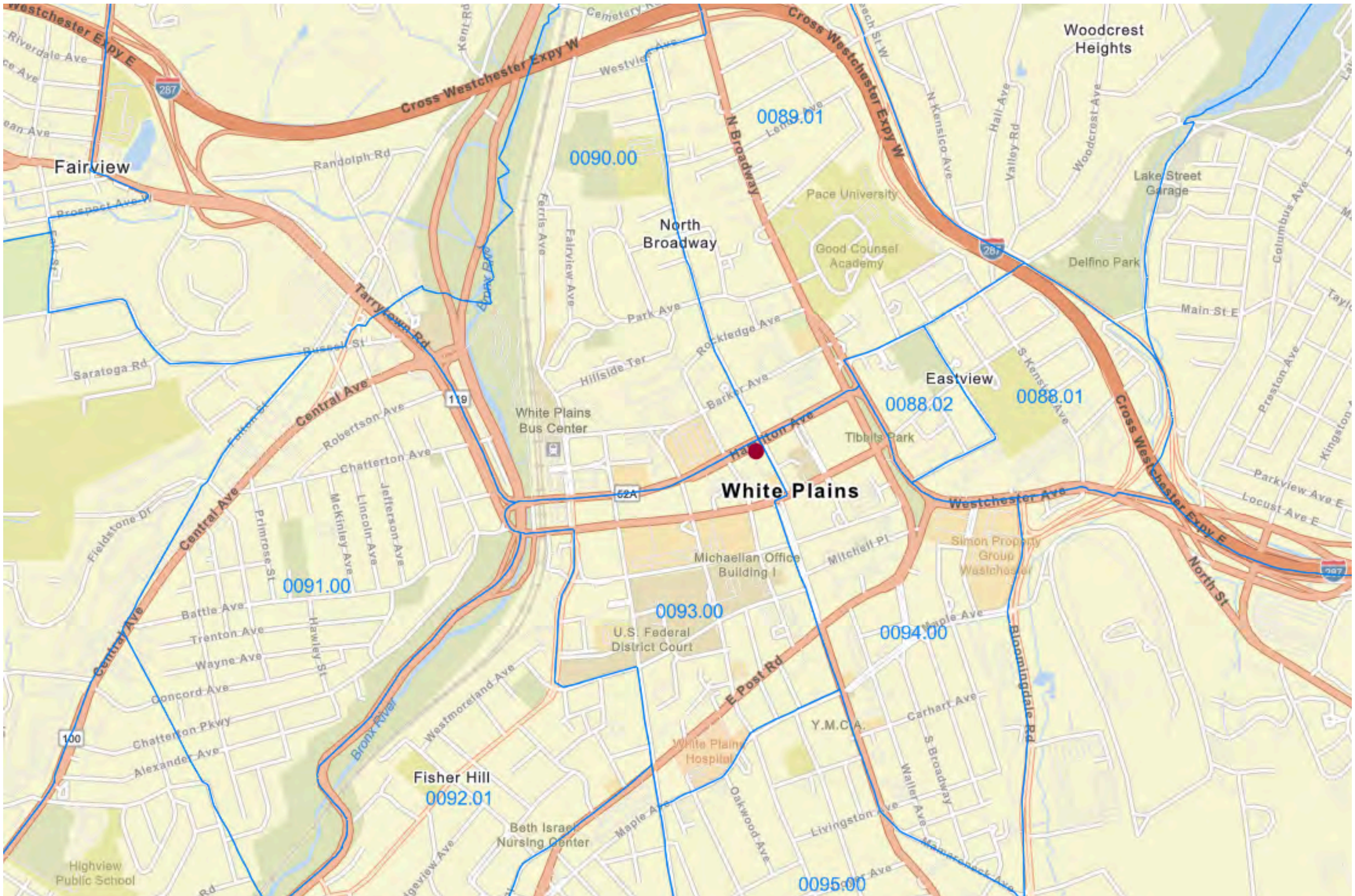
Monday through Thursday 9:00 AM - 5:00 PM
Friday 9:00 AM - 6:00 PM
Saturday Closed
Sunday 10:00 AM - 1:00PM

Palm Tree, NY, Branch Hours

Monday through Friday 9:00 AM - 5:00 PM
Saturday: Closed
Sunday 10:00 AM - 2:00PM

Massachusetts Branch Hours

Monday through Thursday 9:00 AM - 4:00 PM
Friday 9:00 AM - 6:00 PM
Saturday 9:00 AM - 1:00 PM



○Matched Address:325 Hamilton Ave, White Plains, New York, 10601
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ ||State:36-NEW YORK ||County:119-WESTCHESTER COUNTY ||Tract Code:0093.00
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:325 Hamilton Ave, White Plains, New York, 10601
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:119-WESTCHESTER COUNTY
Tract Code:0093.00

Summary Census Demographic Information

Tract Income Level	Low
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$33,468
Tract Median Family Income %	39.15
Tract Population	3679
Tract Minority %	72.08
Owner-Occupied Units	408
1- to 4- Family Units	33

Census Income Information

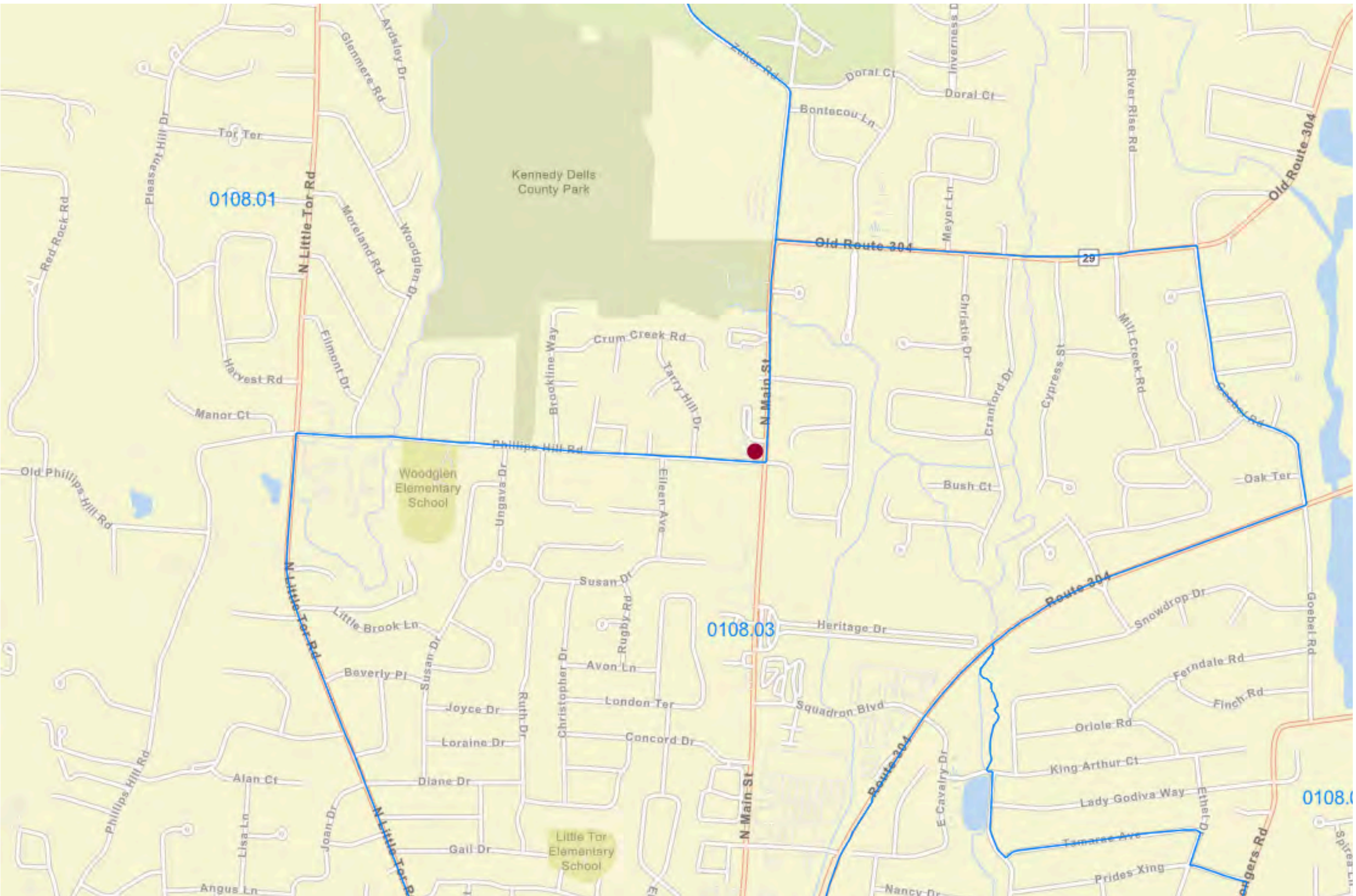
Tract Income Level	Low
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	33.51
Tract Median Family Income %	39.15
2020 Tract Median Family Income	$33,468
2020 Tract Median Household Income	$34,542

Census Population Information

Tract Population	3679
Tract Minority %	72.08
Number of Families	1027
Number of Households	1556
Non-Hispanic White Alone Population	1027
Tract Minority Population	2652
Hispanic	1151
Non-Hispanic Black/African American Alone	972
Non-Hispanic American Indian/Alaska Native Alone	0
Non-Hispanic Asian Alone	403
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	36
Non-Hispanic Two or More Races	90

Census Housing Information

Total Housing Units	1733
1- to 4- Family Units	33
Median House Age (Years)	29
Owner-Occupied Units	408
Renter Occupied Units	1148
Owner Occupied 1- to 4- Family Units	6
Inside Principal City?	YES
Vacant Units	177



○Matched Address:301 N Main St, New City, New York, 10956
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ ||State:36-NEW YORK ||County:087-ROCKLAND COUNTY ||Tract Code:0108.01
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:301 N Main St, New City, New York, 10956
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:087-ROCKLAND COUNTY
Tract Code:0108.01

Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$189,375
Tract Median Family Income %	221.53
Tract Population	4824
Tract Minority %	30.02
Owner-Occupied Units	1352
1- to 4- Family Units	1422

Census Income Information

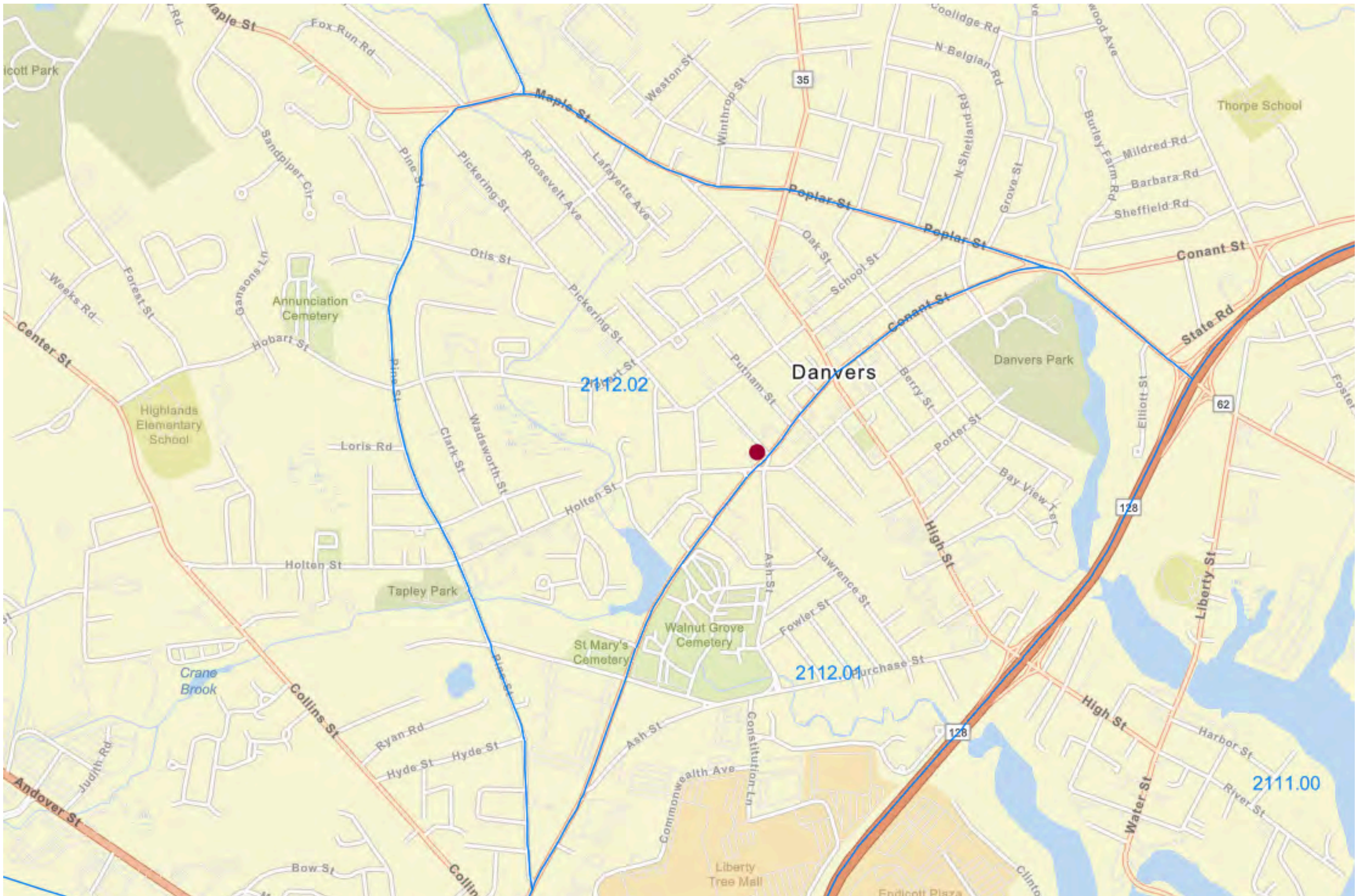
Tract Income Level	Upper
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	2.50
Tract Median Family Income %	221.53
2020 Tract Median Family Income	$189,375
2020 Tract Median Household Income	$174,441

Census Population Information

Tract Population	4824
Tract Minority %	30.02
Number of Families	1187
Number of Households	1379
Non-Hispanic White Alone Population	3376
Tract Minority Population	1448
Hispanic	503
Non-Hispanic Black/African American Alone	296
Non-Hispanic American Indian/Alaska Native Alone	3
Non-Hispanic Asian Alone	500
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	57
Non-Hispanic Two or More Races	89

Census Housing Information

Total Housing Units	1433
1- to 4- Family Units	1422
Median House Age (Years)	49
Owner-Occupied Units	1352
Renter Occupied Units	27
Owner Occupied 1- to 4- Family Units	1341
Inside Principal City?	NO
Vacant Units	54



○Matched Address:87 Elm St, Danvers, Massachusetts, 01923
MSA:15764-CAMBRIDGE-NEWTON-FRAMINGHAM, MA ||State:25-MASSACHUSETTS ||County:009-ESSEX COUNTY ||Tract Code:2112.02
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2026 FFIEC Geocode Census Report

Matched Address:87 Elm St, Danvers, Massachusetts, 01923
MSA:15764-CAMBRIDGE-NEWTON-FRAMINGHAM, MA
State:25-MASSACHUSETTS
County:009-ESSEX COUNTY
Tract Code:2112.02

Summary Census Demographic Information

Tract Income Level	Moderate
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$163,800
2020 Tract Median Family Income	$88,967
Tract Median Family Income %	73.23
Tract Population	3830
Tract Minority %	11.10
Owner-Occupied Units	878
1- to 4- Family Units	992

Census Income Information

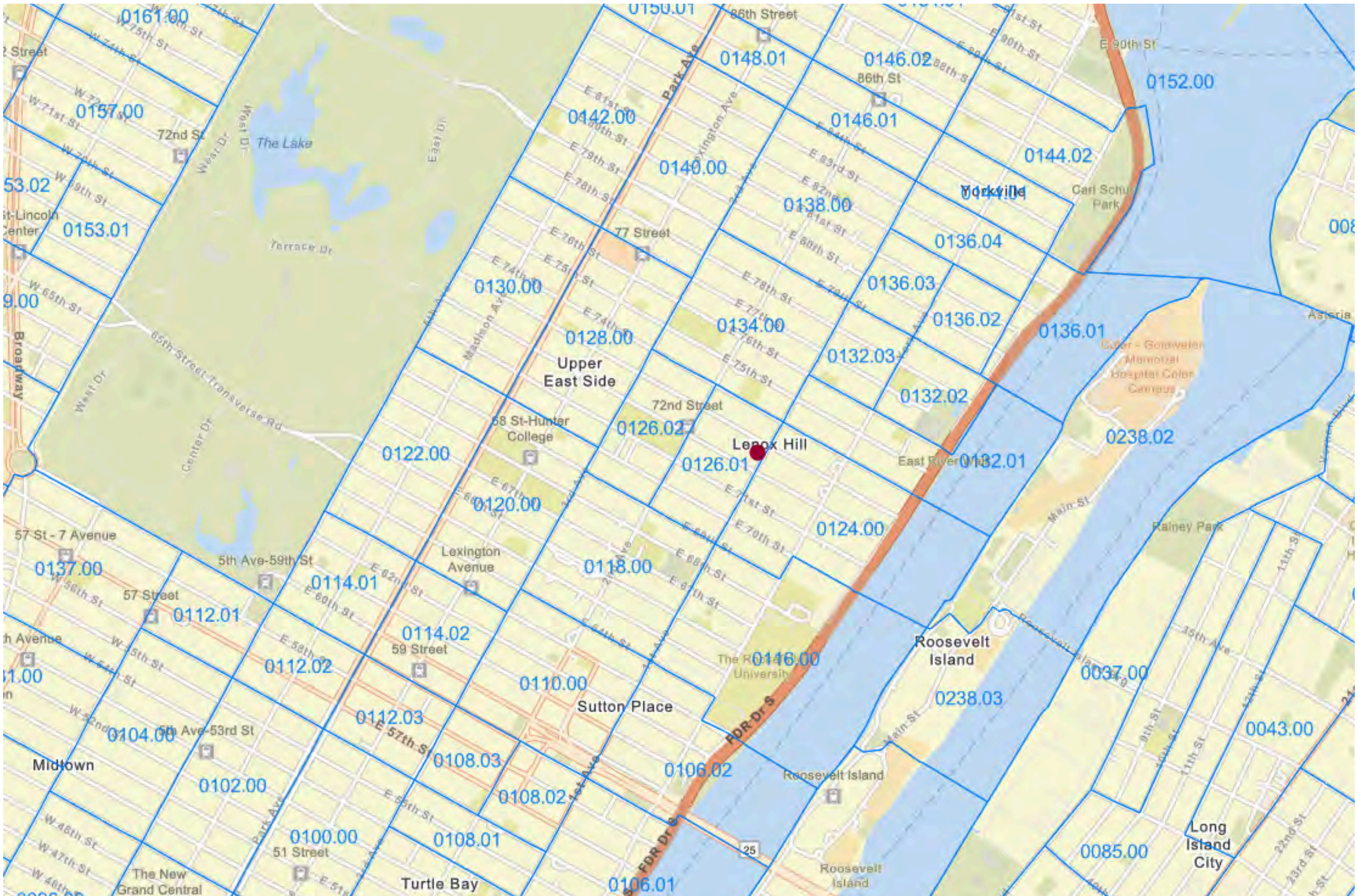
Tract Income Level	Moderate
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$121,481
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$163,800
% below Poverty Line	9.61
Tract Median Family Income %	73.23
2020 Tract Median Family Income	$88,967
2020 Tract Median Household Income	$66,574

Census Population Information

Tract Population	3830
Tract Minority %	11.10
Number of Families	745
Number of Households	1464
Non-Hispanic White Alone Population	3405
Tract Minority Population	425
Hispanic	137
Non-Hispanic Black/African American Alone	76
Non-Hispanic American Indian/Alaska Native Alone	0
Non-Hispanic Asian Alone	61
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	30
Non-Hispanic Two or More Races	121

Census Housing Information

Total Housing Units	1464
1- to 4- Family Units	992
Median House Age (Years)	67
Owner-Occupied Units	878
Renter Occupied Units	586
Owner Occupied 1- to 4- Family Units	780
Inside Principal City?	NO
Vacant Units	-



○Matched Address:1355 1st Ave, New York, New York, 10021
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ ||State:36-NEW YORK ||County:061-NEW YORK COUNTY ||Tract Code:0126.01
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:1355 1st Ave, New York, New York, 10021
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:061-NEW YORK COUNTY
Tract Code:0126.01

Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$250,001
Tract Median Family Income %	292.45
Tract Population	7437
Tract Minority %	22.05
Owner-Occupied Units	2202
1- to 4- Family Units	183

Census Income Information

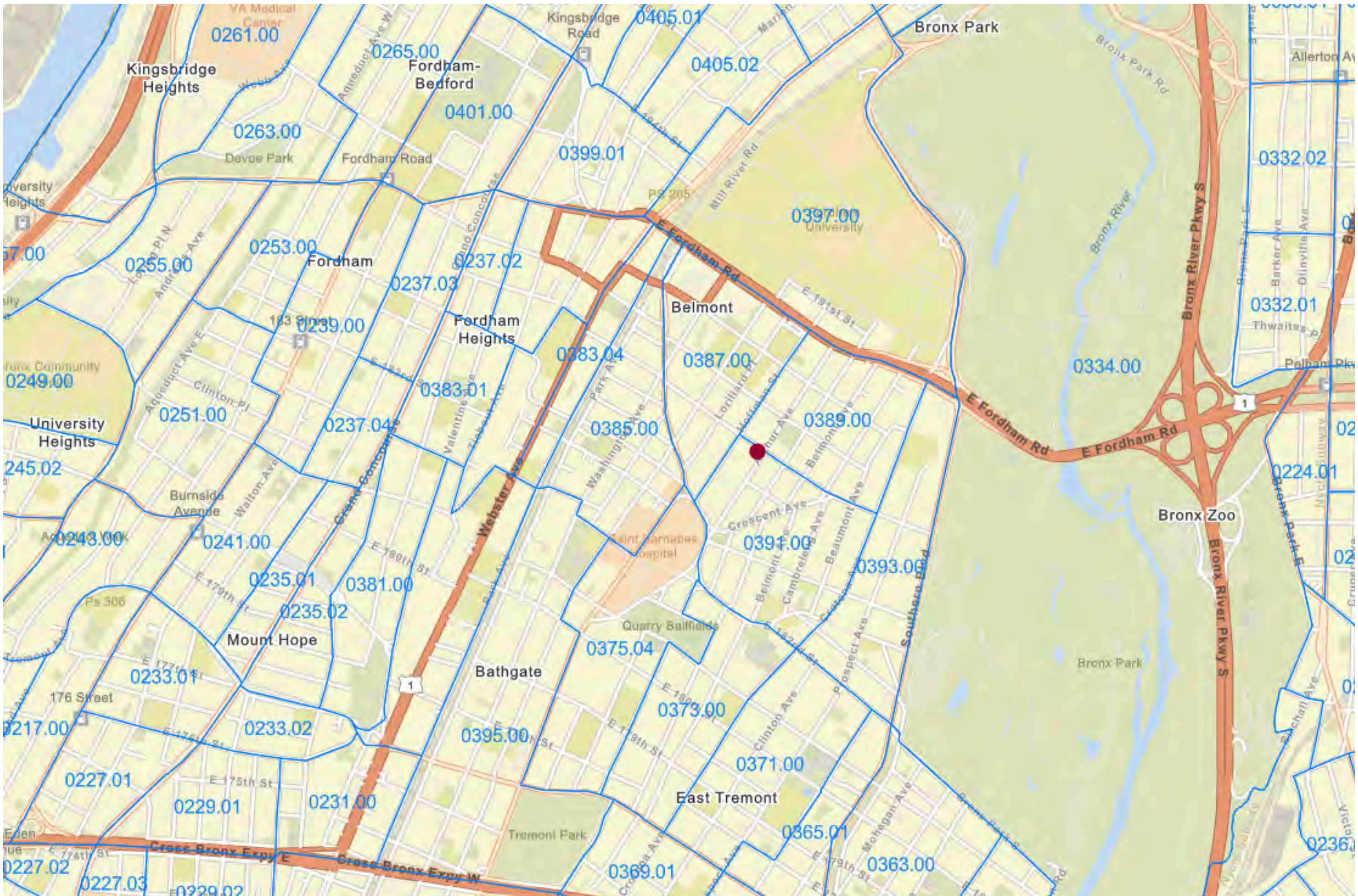
Tract Income Level	Upper
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	6.55
Tract Median Family Income %	292.45
2020 Tract Median Family Income	$250,001
2020 Tract Median Household Income	$90,857

Census Population Information

Tract Population	7437
Tract Minority %	22.05
Number of Families	1609
Number of Households	3805
Non-Hispanic White Alone Population	5797
Tract Minority Population	1640
Hispanic	468
Non-Hispanic Black/African American Alone	91
Non-Hispanic American Indian/Alaska Native Alone	0
Non-Hispanic Asian Alone	814
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	36
Non-Hispanic Two or More Races	231

Census Housing Information

Total Housing Units	4654
1- to 4- Family Units	183
Median House Age (Years)	58
Owner-Occupied Units	2202
Renter Occupied Units	1603
Owner Occupied 1- to 4- Family Units	67
Inside Principal City?	YES
Vacant Units	849



○Matched Address:590 E 187th St, Bronx, New York, 10458
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MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:590 E 187th St, Bronx, New York, 10458
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:005-BRONX COUNTY
Tract Code:0391.00

Summary Census Demographic Information

Tract Income Level	Moderate
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$46,853
Tract Median Family Income %	54.80
Tract Population	7210
Tract Minority %	92.23
Owner-Occupied Units	203
1- to 4- Family Units	521

Census Income Information

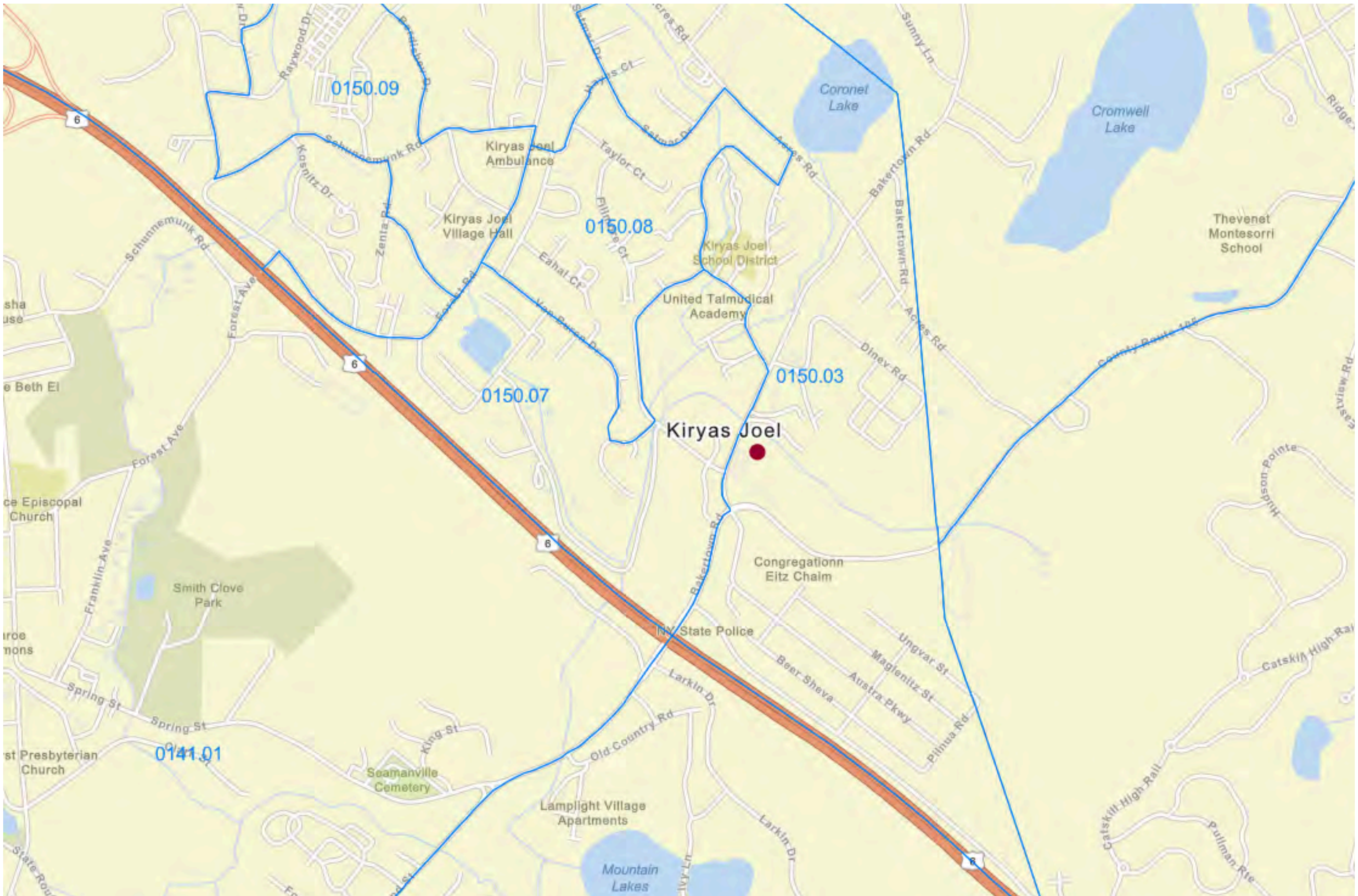
Tract Income Level	Moderate
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	32.19
Tract Median Family Income %	54.80
2020 Tract Median Family Income	$46,853
2020 Tract Median Household Income	$30,923

Census Population Information

Tract Population	7210
Tract Minority %	92.23
Number of Families	1751
Number of Households	2756
Non-Hispanic White Alone Population	560
Tract Minority Population	6650
Hispanic	5414
Non-Hispanic Black/African American Alone	986
Non-Hispanic American Indian/Alaska Native Alone	18
Non-Hispanic Asian Alone	105
Non-Hispanic Hawaiian/Pacific Islander Alone	4
Non-Hispanic Other Race Alone	51
Non-Hispanic Two or More Races	72

Census Housing Information

Total Housing Units	2972
1- to 4- Family Units	521
Median House Age (Years)	0
Owner-Occupied Units	203
Renter Occupied Units	2553
Owner Occupied 1- to 4- Family Units	174
Inside Principal City?	YES
Vacant Units	216



○Matched Address:52 Bakertown Rd, Monroe, New York, 10950
MSA:28880-KIRYAS JOEL-POUGHKEEPSIE-NEWBURGH, NY ||State:36-NEW YORK ||County:071-ORANGE COUNTY ||Tract Code:0150.03
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:52 Bakertown Rd, Monroe, New York, 10950
MSA:28880-KIRYAS JOEL-POUGHKEEPSIE-NEWBURGH, NY
State:36-NEW YORK
County:071-ORANGE COUNTY
Tract Code:0150.03

Summary Census Demographic Information

Tract Income Level	Low
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$125,900
2020 Tract Median Family Income	$39,344
Tract Median Family Income %	39.29
Tract Population	8363
Tract Minority %	29.75
Owner-Occupied Units	338
1- to 4- Family Units	335

Census Income Information

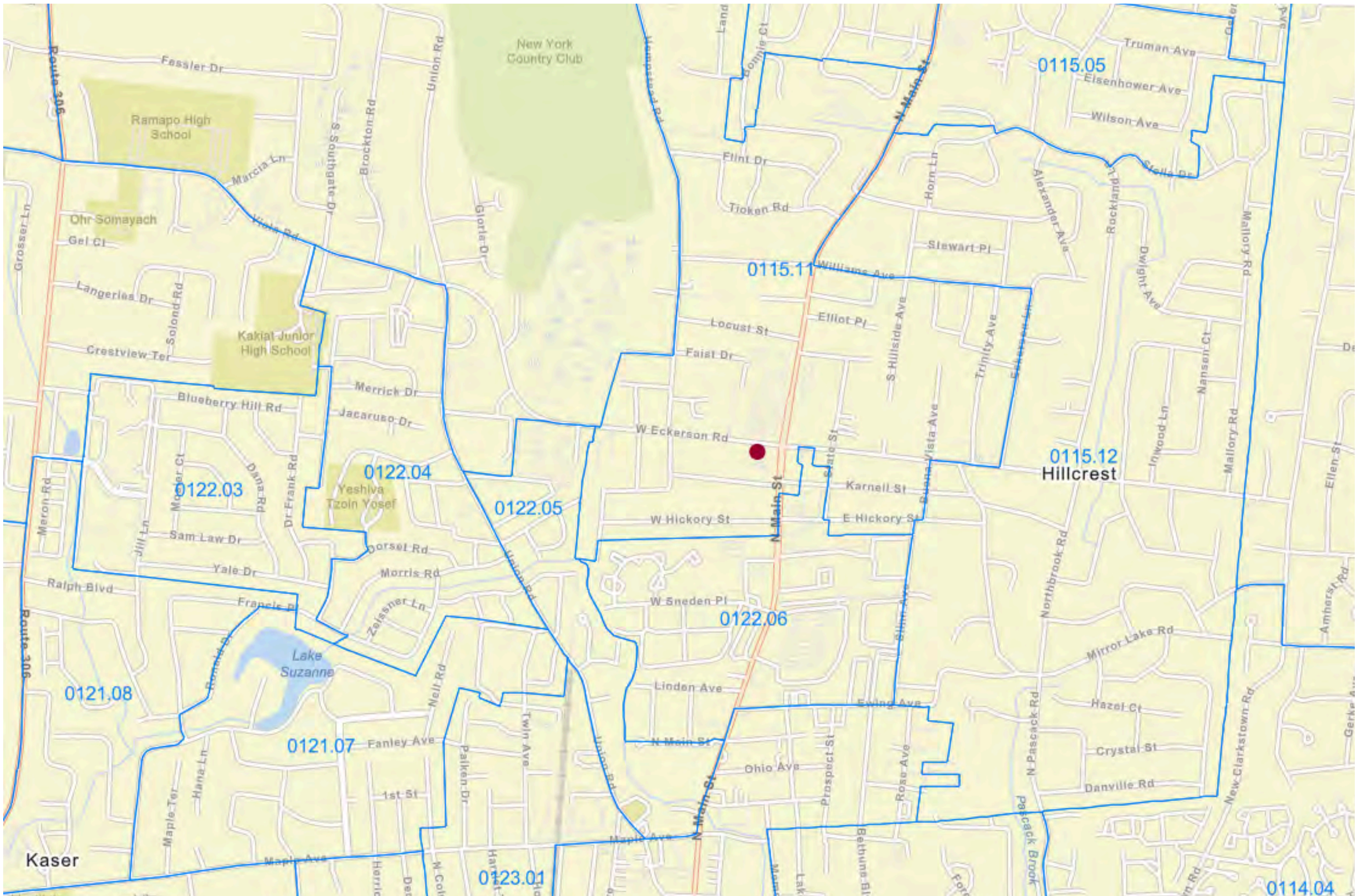
Tract Income Level	Low
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$100,123
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$125,900
% below Poverty Line	36.68
Tract Median Family Income %	39.29
2020 Tract Median Family Income	$39,344
2020 Tract Median Household Income	$39,754

Census Population Information

Tract Population	8363
Tract Minority %	29.75
Number of Families	1326
Number of Households	1352
Non-Hispanic White Alone Population	5875
Tract Minority Population	2488
Hispanic	209
Non-Hispanic Black/African American Alone	21
Non-Hispanic American Indian/Alaska Native Alone	0
Non-Hispanic Asian Alone	1
Non-Hispanic Hawaiian/Pacific Islander Alone	7
Non-Hispanic Other Race Alone	2075
Non-Hispanic Two or More Races	175

Census Housing Information

Total Housing Units	1459
1- to 4- Family Units	335
Median House Age (Years)	14
Owner-Occupied Units	338
Renter Occupied Units	1014
Owner Occupied 1- to 4- Family Units	58
Inside Principal City?	YES
Vacant Units	107



Matched Address:72 W Eckerson Rd, Spring Valley, New York, 10977
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ ||State:36-NEW YORK ||County:087-ROCKLAND COUNTY ||Tract Code:0115.11
Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:72 W Eckerson Rd, Spring Valley, New York, 10977
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:087-ROCKLAND COUNTY
Tract Code:0115.11

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$91,111
Tract Median Family Income %	106.58
Tract Population	3674
Tract Minority %	85.11
Owner-Occupied Units	503
1- to 4- Family Units	716

Census Income Information

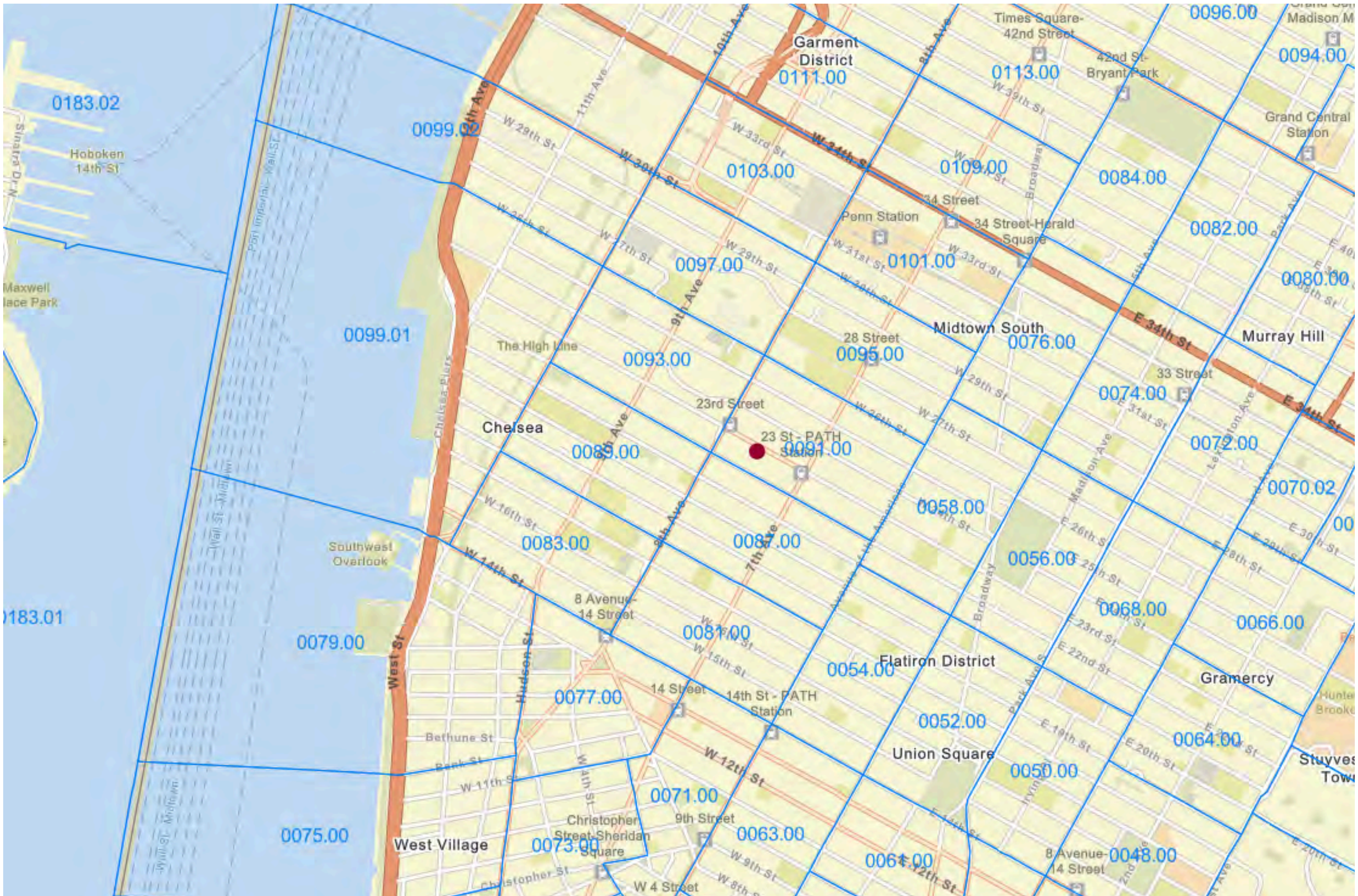
Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	10.70
Tract Median Family Income %	106.58
2020 Tract Median Family Income	$91,111
2020 Tract Median Household Income	$85,469

Census Population Information

Tract Population	3674
Tract Minority %	85.11
Number of Families	616
Number of Households	755
Non-Hispanic White Alone Population	547
Tract Minority Population	3127
Hispanic	1441
Non-Hispanic Black/African American Alone	1325
Non-Hispanic American Indian/Alaska Native Alone	13
Non-Hispanic Asian Alone	249
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	39
Non-Hispanic Two or More Races	60

Census Housing Information

Total Housing Units	780
1- to 4- Family Units	716
Median House Age (Years)	61
Owner-Occupied Units	503
Renter Occupied Units	252
Owner Occupied 1- to 4- Family Units	503
Inside Principal City?	NO
Vacant Units	25



○Matched Address:242 W 23rd St, New York, New York, 10011
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ ||State:36-NEW YORK ||County:061-NEW YORK COUNTY ||Tract Code:0091.00
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:242 W 23rd St, New York, New York, 10011
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:061-NEW YORK COUNTY
Tract Code:0091.00

Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$250,001
Tract Median Family Income %	292.45
Tract Population	7362
Tract Minority %	34.00
Owner-Occupied Units	1107
1- to 4- Family Units	278

Census Income Information

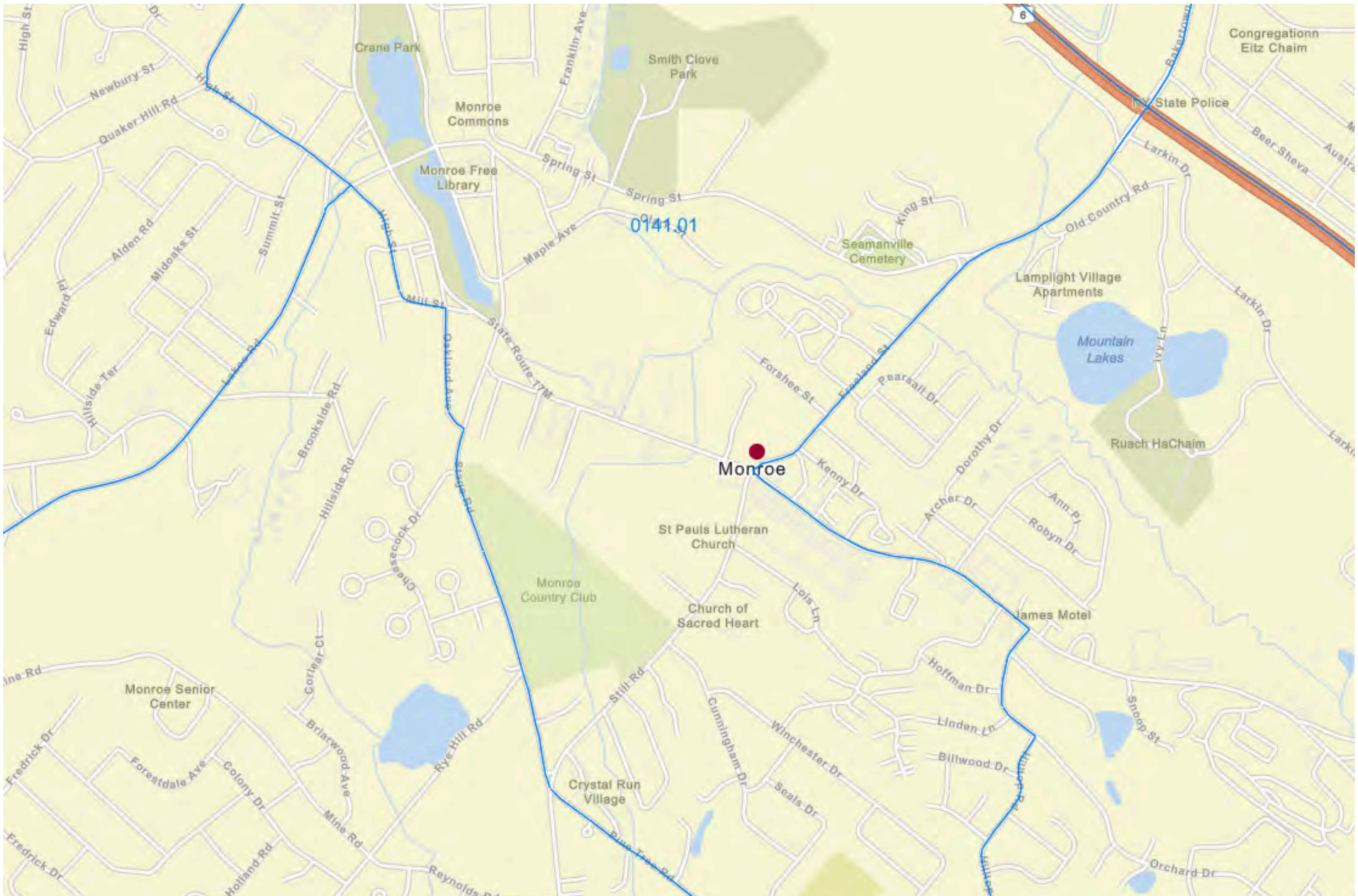
Tract Income Level	Upper
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	14.79
Tract Median Family Income %	292.45
2020 Tract Median Family Income	$250,001
2020 Tract Median Household Income	$152,946

Census Population Information

Tract Population	7362
Tract Minority %	34.00
Number of Families	776
Number of Households	3524
Non-Hispanic White Alone Population	4859
Tract Minority Population	2503
Hispanic	689
Non-Hispanic Black/African American Alone	420
Non-Hispanic American Indian/Alaska Native Alone	12
Non-Hispanic Asian Alone	1025
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	40
Non-Hispanic Two or More Races	317

Census Housing Information

Total Housing Units	4145
1- to 4- Family Units	278
Median House Age (Years)	78
Owner-Occupied Units	1107
Renter Occupied Units	2417
Owner Occupied 1- to 4- Family Units	79
Inside Principal City?	YES
Vacant Units	621



○Matched Address:1 Freeland St, Monroe, New York, 10950
MSA:28880-KIRYAS JOEL-POUGHKEEPSIE-NEWBURGH, NY ||State:36-NEW YORK ||County:071-ORANGE COUNTY ||Tract Code:0141.01
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:1 Freeland St, Monroe, New York, 10950
MSA:28880-KIRYAS JOEL-POUGHKEEPSIE-NEWBURGH, NY
State:36-NEW YORK
County:071-ORANGE COUNTY
Tract Code:0141.01

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$125,900
2020 Tract Median Family Income	$87,875
Tract Median Family Income %	87.76
Tract Population	4849
Tract Minority %	51.31
Owner-Occupied Units	1035
1- to 4- Family Units	1248

Census Income Information

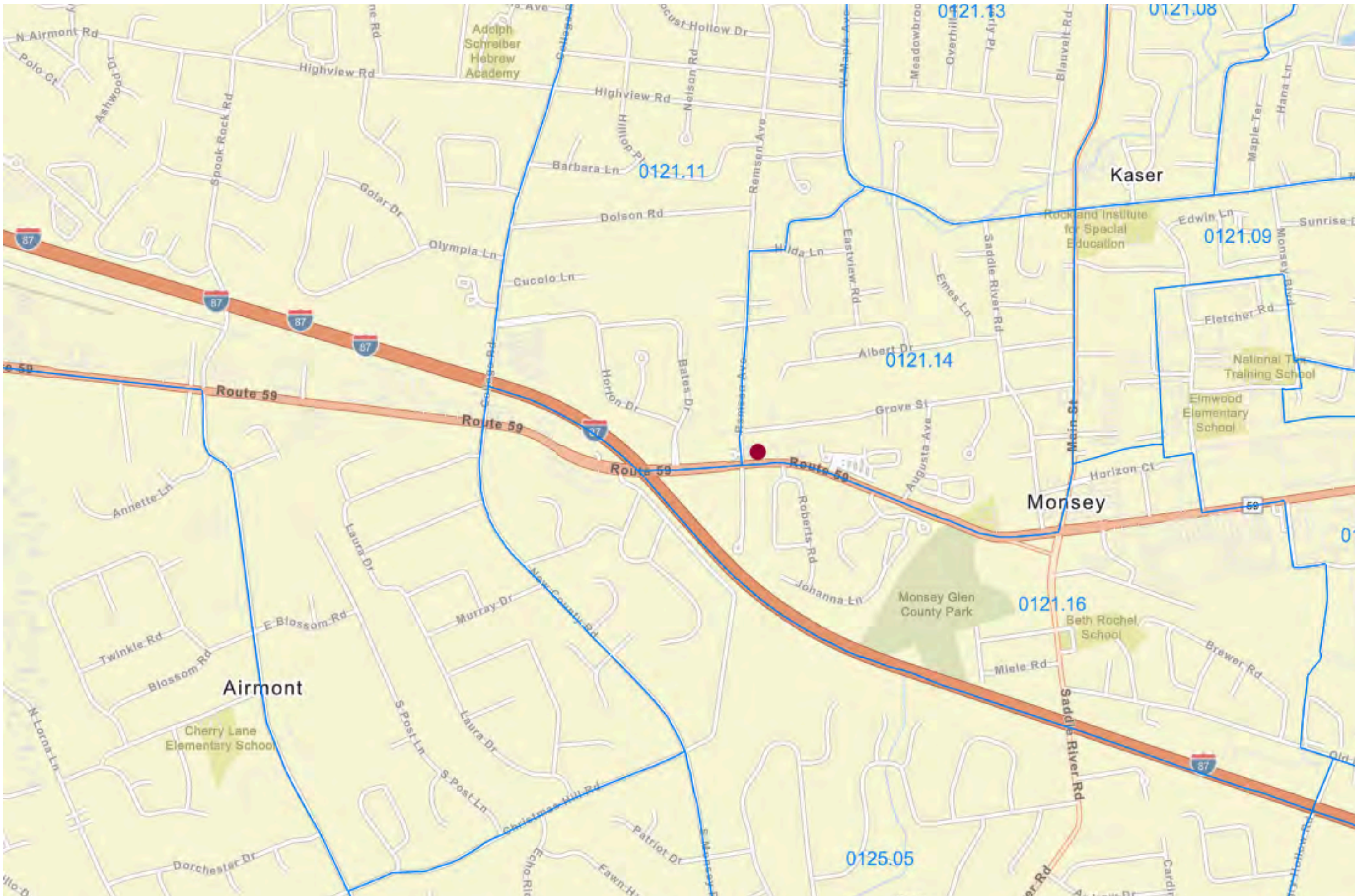
Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$100,123
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$125,900
% below Poverty Line	6.24
Tract Median Family Income %	87.76
2020 Tract Median Family Income	$87,875
2020 Tract Median Household Income	$84,722

Census Population Information

Tract Population	4849
Tract Minority %	51.31
Number of Families	1111
Number of Households	1388
Non-Hispanic White Alone Population	2361
Tract Minority Population	2488
Hispanic	1729
Non-Hispanic Black/African American Alone	331
Non-Hispanic American Indian/Alaska Native Alone	0
Non-Hispanic Asian Alone	229
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	57
Non-Hispanic Two or More Races	142

Census Housing Information

Total Housing Units	1406
1- to 4- Family Units	1248
Median House Age (Years)	42
Owner-Occupied Units	1035
Renter Occupied Units	353
Owner Occupied 1- to 4- Family Units	975
Inside Principal City?	NO
Vacant Units	18



○Matched Address:166 Route 59, Airmont, New York, 10952
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ ||State:36-NEW YORK ||County:087-ROCKLAND COUNTY ||Tract Code:0121.14
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:166 Route 59, Airmont, New York, 10952
MSA:35614-NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ
State:36-NEW YORK
County:087-ROCKLAND COUNTY
Tract Code:0121.14

Summary Census Demographic Information

Tract Income Level	Low
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
2020 Tract Median Family Income	$41,818
Tract Median Family Income %	48.91
Tract Population	2874
Tract Minority %	8.77
Owner-Occupied Units	237
1- to 4- Family Units	454

Census Income Information

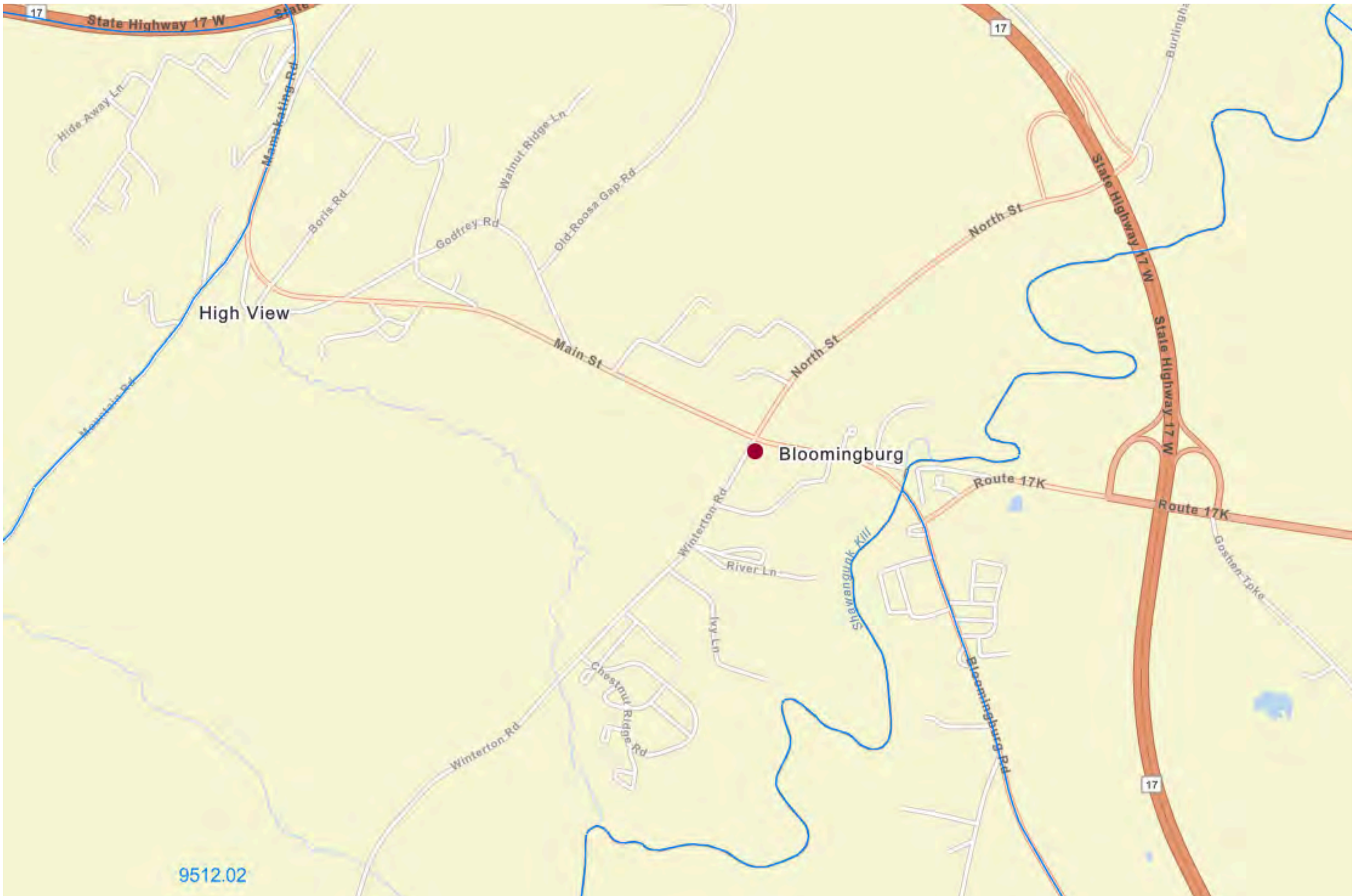
Tract Income Level	Low
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$85,483
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$108,300
% below Poverty Line	52.81
Tract Median Family Income %	48.91
2020 Tract Median Family Income	$41,818
2020 Tract Median Household Income	$34,775

Census Population Information

Tract Population	2874
Tract Minority %	8.77
Number of Families	454
Number of Households	501
Non-Hispanic White Alone Population	2622
Tract Minority Population	252
Hispanic	120
Non-Hispanic Black/African American Alone	15
Non-Hispanic American Indian/Alaska Native Alone	1
Non-Hispanic Asian Alone	8
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	30
Non-Hispanic Two or More Races	78

Census Housing Information

Total Housing Units	559
1- to 4- Family Units	454
Median House Age (Years)	51
Owner-Occupied Units	237
Renter Occupied Units	264
Owner Occupied 1- to 4- Family Units	228
Inside Principal City?	NO
Vacant Units	58



○Matched Address:3 Winterton Rd, Bloomingburg, New York, 12721
MSA:NA-NA (Outside of MSA) ||State:36-NEW YORK ||County:105-SULLIVAN COUNTY ||Tract Code:9512.02
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:3 Winterton Rd, Bloomingburg, New York, 12721
MSA:NA-NA (Outside of MSA)
State:36-NEW YORK
County:105-SULLIVAN COUNTY
Tract Code:9512.02

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$89,900
2020 Tract Median Family Income	$79,861
Tract Median Family Income %	116.40
Tract Population	4214
Tract Minority %	24.96
Owner-Occupied Units	664
1- to 4- Family Units	1423

Census Income Information

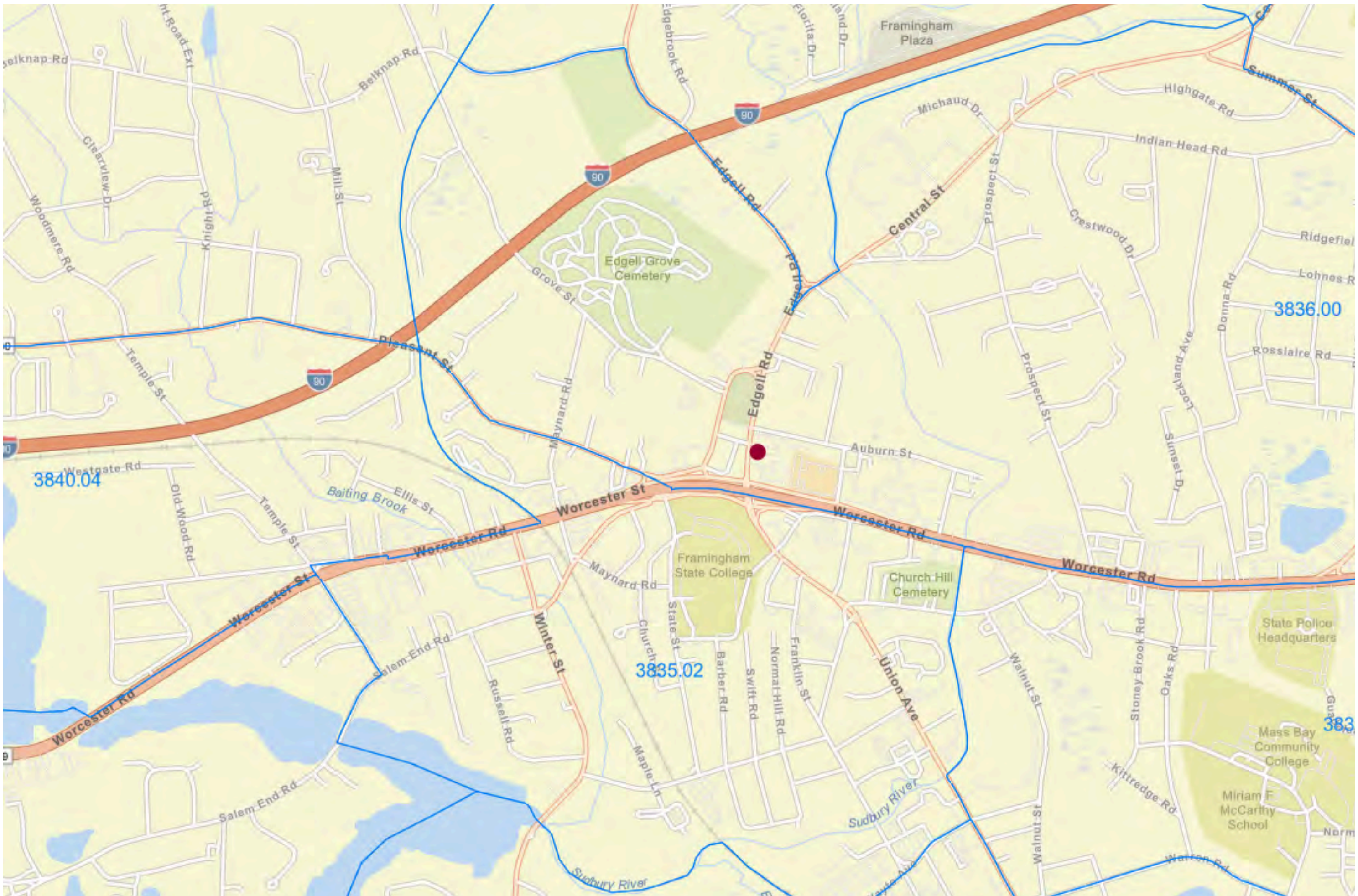
Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$68,606
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$89,900
% below Poverty Line	18.23
Tract Median Family Income %	116.40
2020 Tract Median Family Income	$79,861
2020 Tract Median Household Income	$71,629

Census Population Information

Tract Population	4214
Tract Minority %	24.96
Number of Families	844
Number of Households	1035
Non-Hispanic White Alone Population	3162
Tract Minority Population	1052
Hispanic	619
Non-Hispanic Black/African American Alone	124
Non-Hispanic American Indian/Alaska Native Alone	7
Non-Hispanic Asian Alone	32
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	27
Non-Hispanic Two or More Races	243

Census Housing Information

Total Housing Units	1449
1- to 4- Family Units	1423
Median House Age (Years)	41
Owner-Occupied Units	664
Renter Occupied Units	371
Owner Occupied 1- to 4- Family Units	664
Inside Principal City?	NO
Vacant Units	414



○Matched Address:35 Edgell Rd, Framingham, Massachusetts, 01701
MSA:15764-CAMBRIDGE-NEWTON-FRAMINGHAM, MA ||State:25-MASSACHUSETTS ||County:017-MIDDLESEX COUNTY ||Tract Code:3836.00
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:35 Edgell Rd, Framingham, Massachusetts, 01701
MSA:15764-CAMBRIDGE-NEWTON-FRAMINGHAM, MA
State:25-MASSACHUSETTS
County:017-MIDDLESEX COUNTY
Tract Code:3836.00

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$163,800
2020 Tract Median Family Income	$120,707
Tract Median Family Income %	99.36
Tract Population	6341
Tract Minority %	39.79
Owner-Occupied Units	1567
1- to 4- Family Units	1838

Census Income Information

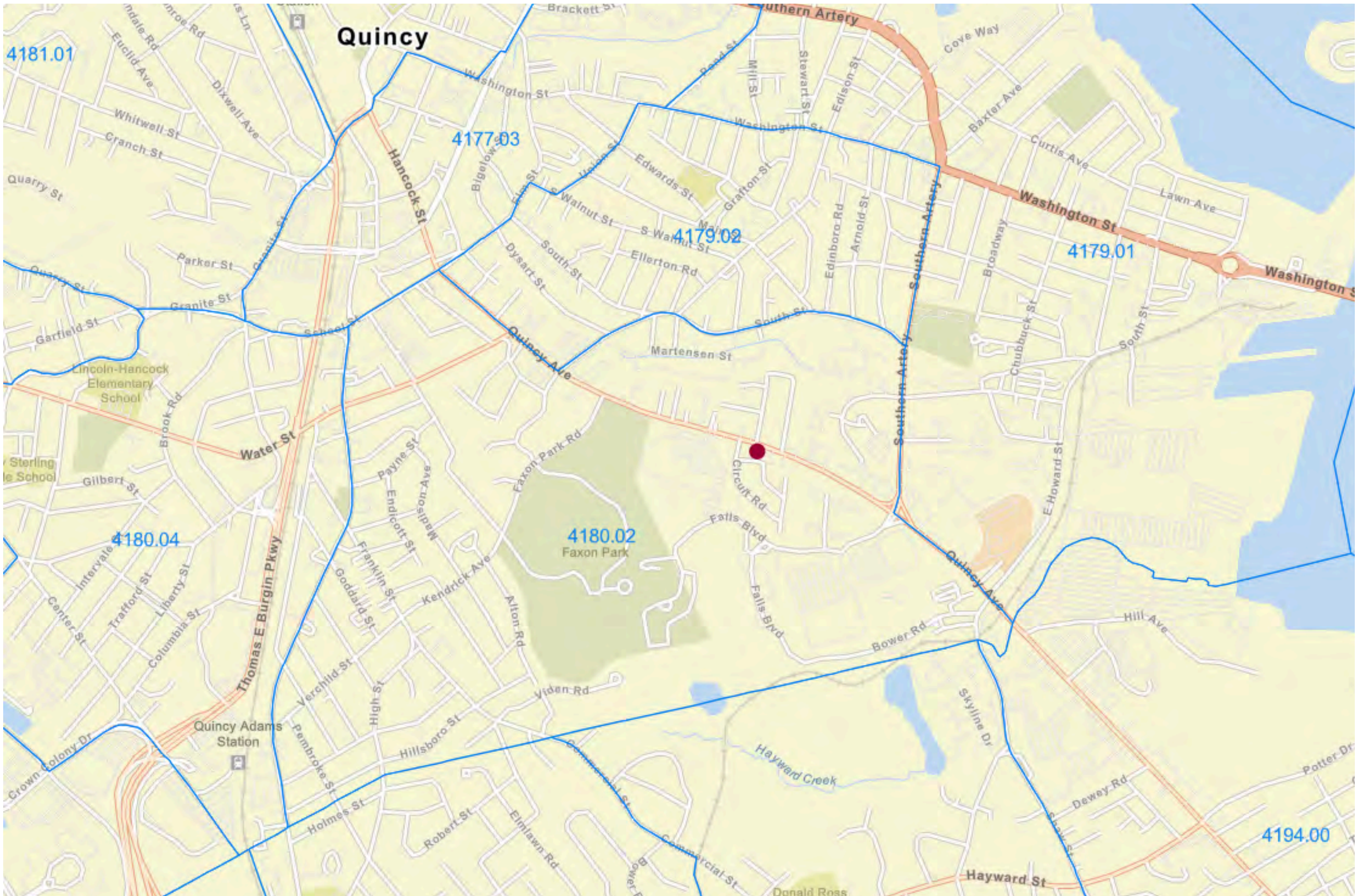
Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$121,481
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$163,800
% below Poverty Line	5.55
Tract Median Family Income %	99.36
2020 Tract Median Family Income	$120,707
2020 Tract Median Household Income	$101,627

Census Population Information

Tract Population	6341
Tract Minority %	39.79
Number of Families	1761
Number of Households	2538
Non-Hispanic White Alone Population	3818
Tract Minority Population	2523
Hispanic	681
Non-Hispanic Black/African American Alone	482
Non-Hispanic American Indian/Alaska Native Alone	4
Non-Hispanic Asian Alone	550
Non-Hispanic Hawaiian/Pacific Islander Alone	2
Non-Hispanic Other Race Alone	307
Non-Hispanic Two or More Races	497

Census Housing Information

Total Housing Units	2623
1- to 4- Family Units	1838
Median House Age (Years)	57
Owner-Occupied Units	1567
Renter Occupied Units	971
Owner Occupied 1- to 4- Family Units	1551
Inside Principal City?	YES
Vacant Units	85



○Matched Address:281 Quincy Ave, Quincy, Massachusetts, 02169
MSA:14454-BOSTON, MA ||State:25-MASSACHUSETTS ||County:021-NORFOLK COUNTY ||Tract Code:4180.02
○Selected Tract
MSA:-||State:- ||County:-||Tract Code:

2026 FFIEC Geocode Census Report

Matched Address:281 Quincy Ave, Quincy, Massachusetts, 02169
MSA:14454-BOSTON, MA
State:25-MASSACHUSETTS
County:021-NORFOLK COUNTY
Tract Code:4180.02

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$146,500
2020 Tract Median Family Income	$97,544
Tract Median Family Income %	86.62
Tract Population	7444
Tract Minority %	54.62
Owner-Occupied Units	903
1- to 4- Family Units	1910

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$112,607
2026 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$146,500
% below Poverty Line	6.94
Tract Median Family Income %	86.62
2020 Tract Median Family Income	$97,544
2020 Tract Median Household Income	$84,510

Census Population Information

Tract Population	7444
Tract Minority %	54.62
Number of Families	1517
Number of Households	3037
Non-Hispanic White Alone Population	3378
Tract Minority Population	4066
Hispanic	401
Non-Hispanic Black/African American Alone	429
Non-Hispanic American Indian/Alaska Native Alone	8
Non-Hispanic Asian Alone	2844
Non-Hispanic Hawaiian/Pacific Islander Alone	0
Non-Hispanic Other Race Alone	76
Non-Hispanic Two or More Races	308

Census Housing Information

Total Housing Units	3169
1- to 4- Family Units	1910
Median House Age (Years)	53
Owner-Occupied Units	903
Renter Occupied Units	2134
Owner Occupied 1- to 4- Family Units	734
Inside Principal City?	NO
Vacant Units	132

NorthEast Community Bank

NO OPENED LOCATIONS

NO CLOSED LOCATIONS

Assessment Areas:

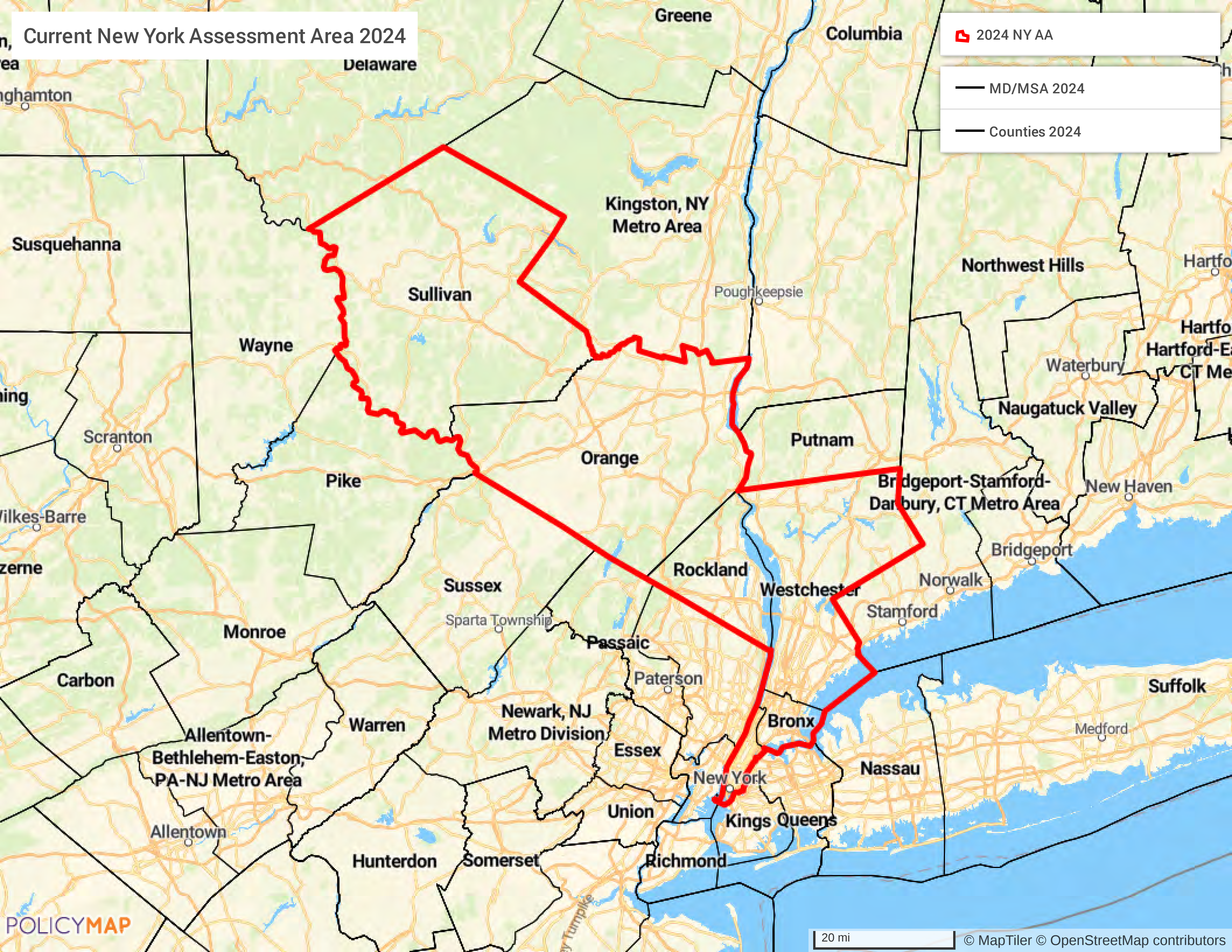
New York

35614		005	Bronx
		061	New York
		087	Rockland
		119	Westchester
28880	(39100)	071	Orange
NA		105	Sullivan

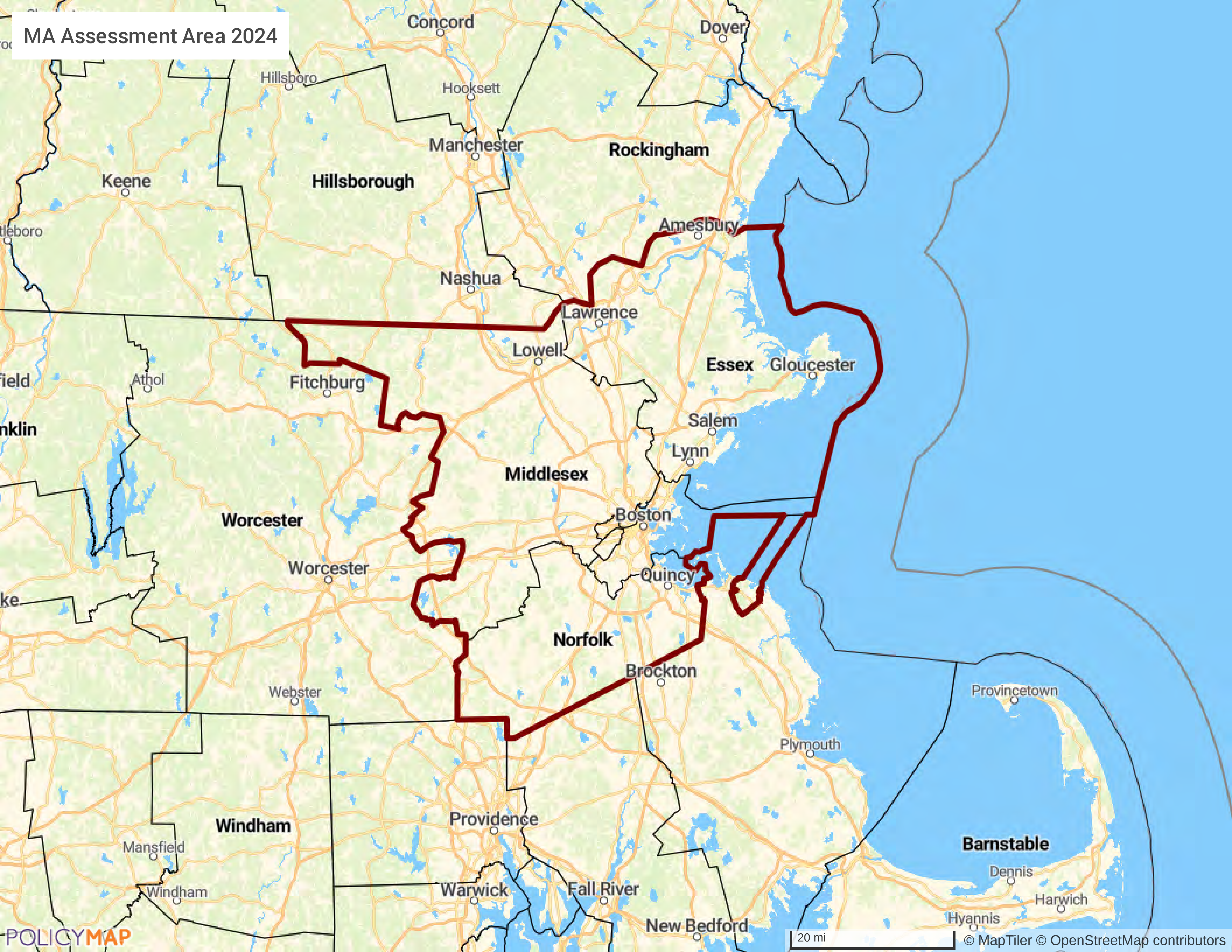
Massachusetts

14454		021	Norfolk
		025	Suffolk
15764		009	Essex
		017	Middlesex

Current New York Assessment Area 2024



MA Assessment Area 2024



Business Banking Schedule of Fees

This Business Banking Schedule of Fees is part of the Terms and Conditions of Your Account at NorthEast Community Bank, It contains the monthly fees, transaction fees, minimum balance requirements, and other fees that may apply to your consumer account at NorthEast Community Bank. Please refer to your Terms and Conditions of Your Non- Personal Account, Privacy Policy, and FDIC Deposit Insurance Coverage booklet for detailed account features and benefits.

Business Checking Account Offerings

	Maintenance Fee	Requirements to Waive Monthly Fee	Minimum Opening Deposit
Free Business Checking	Free	Unlimited transactions, No Monthly Maintenance fee, no Minimum Monthly Balance Required.	$5.00
Non-Profit Checking	Free	Unlimited transactions, No Monthly Maintenance fee, no Minimum Monthly Balance Required	$5.00
Premier Business Checking with Interest**	$10.00 Monthly	In order to avoid the imposition of a monthly fee, an average monthly balance of $3,500.00 must be maintained.	$5.00
***Commercial Analysis Checking**	$15.00 Monthly	Earnings Credits can be used to offset whole or impact the monthly Service Fees associated with this account. The earning credit will be calculated using an internal index during the statement cycle.	$5.00
Iola/Iolta**	Free	Unlimited transactions, No monthly Maintenance fee, no Minimum Monthly Balance Required.	$5.00

Please refer to your Terms and Conditions of Your Non Personal Account, Privacy Policy, for additional account opening guidelines.

**Commercial Checking Account Only: earnings credit is based on 0.10bps of average collected balance less a 10% reserve requirement. Rate is set based on internal index & subject to change at anytime*

Business Money Market Offerings

Account Name	Maintenance Fee	Minimum Average Monthly Balance Requited to Waive Monthly Fee	Minimum Opening Deposit
Business Money Market**	$10.00 Monthly	In order to avoid the imposition of a monthly, an average monthly balance of $2,500.00 must be maintained.	$2500.00

Certificate of Deposits Account Offerings

Account Name	Terms, Rates, and Minimum Balance Requirements	Minimum Opening Deposit
Certificate of Deposits	Numerous terms and rates available.	Varies by term

***** The interest rate and Annual Percentage Yield paid on all Business Money Market, Iola/ Iolta & Premier Business Checking with Interest may change at any time. Contact us at 1-866-287-7500 for current rates.***

Member FDIC

EQUAL OPPORTUNITY EMPLOYER

EQUAL HOUSING LENDER

Additional Fees

Checking, Money Market and Savings Account Related Fees

Copy of Paid Item	$8.00 per copy
Duplicate Statement	$7.50 per statement
Domestic Item Collection Fee	$30.00 per item
Foreign Item Collection Fee	$25.00 per item
Stop Payment Order Placed Checks or ACH Payment	$15.00 per item
Rescind Stop Payment	$7.50 per item
Wire Transfer – Incoming	$3.50 per wire
Wire Transfer – Outgoing Domestic	$3.50 per wire
Wire Transfer – Outgoing International	$3.50 per wire
Standard ACH Processing via Business Online Banking	0.50 per transaction

Electronic Banking Related Fees

Withdrawals performed at a NorthEast Community Bank owned or Allpoint Network ATM	No Charge
Withdrawals performed at a non NorthEast Community Bank owned or non Allpoint Network ATM	$0.00

General Account Related Fees

Account Research Fee Per Hour	$25.00 (Minimum charge of one hour)
Account Verification Letter	$10.00
Legal Research Fee Per Hour	$50.00 (Minimum charge of one hour)
Account Escheatment Fee Garnishment	$25.00 per account
or Levy Administrative Fee	$50.00 per Levy or Garnishment

Miscellaneous Fees

Official Check	$10.00
Money Order	$3.00
Stop Payment of Money Order or Official Check Rescind	$7.50
Stop Payment of Money Order or Official Check	$15.00
Immigration Letter	$20.00

Consumer Banking Schedule of Fees

This Consumer Banking Schedule of Fees contains the service charges, transaction fees, minimum balance requirements, and other fees or charges that may apply to your consumer account at NorthEast Community Bank. Please refer to your Terms and Conditions of Your Personal Account, Truth-in-Savings Disclosure for detailed account features and benefits.

Checking Account Offerings

Account Name	Service Charge	Requirements to Waive Service Charge	Minimum Opening Deposit
Free Checking	Free	N/A	$5.00
Direct Checking with Interest	$10.00 Monthly	In order to avoid the imposition of a service charge of $10.00, at least one direct deposit must be credited to the account on a monthly basis within 60 days of account opening.	$50.00
18/65 Checking*	Free	N/A	$5.00
Fresh Start Checking*	$10.00 Monthly	In order to avoid the imposition of a service charge of $10.00, at least one direct deposit must be credited to the account on a monthly basis within 60 days of account opening.	$5.00

**Please refer to your Truth-in-Savings Disclosure for additional account opening guidelines*

Money Market Offerings

Account Name	Service Charge	Minimum Average Monthly Balance Required to Waive Service Charge	Minimum Opening Deposit
Money Market	$10.00 Monthly	$2,500.00 - Minimum Average Monthly Balance	$2500.00

Savings Account Offerings

Account Name	Service Charge	Balance Required to Waive Service Charge	Minimum Opening Deposit
Passbook Savings	$5.00 Monthly	Monthly service charge waived with an average monthly balance of $250.00	$50.00
Statement Savings	$7.50 Monthly	Monthly service charge waived with an average monthly balance of $250.00	$50.00
Holiday Club Accounts:		All Holiday Club Accounts must reach the below listed account balances by the 50th week of the club year to avoid the imposition of an annual service charge.	
$5.00 Holiday Club Account	$5.00 Annually	$5.00 Holiday Club Account-$250.00 balance	$5.00
$10.00 Holiday Club Account	$5.00 Annually	$10.00 Holiday Club Account -$500.00 balance	$10.00
$20.00 Holiday Club Account	$5.00 Annually	$20.00 Holiday Club Account-$1000.00 balance	$20.00

Certificate of Deposits / Individual Retirement Account Offerings

Account Name	Terms, Rates, and Minimum Balance Requirements	Minimum Opening Deposit
Certificate of Deposits	Numerous terms and rates available.	Varies by term

rev. 8.24.2022

Additional Fees

Checking, Money Market and Savings Account Related Fees	
Domestic Item Collection Fee	$30.00 per item
Foreign Item Collection Fee	$25.00 per item
Stop Payment Order Placed Checks or ACH Payment	$15.00 per item
Rescind Stop Payment	$7.50
Wire Transfer – Incoming	$3.50 per wire
Wire Transfer – Outgoing Domestic	$3.50 per wire
Wire Transfer – Outgoing International	$3.50 per wire

Withdrawals performed at a NorthEast Community Bank owned or Allpoint Network ATM	No Charge
Withdrawals performed at a non NorthEast Community Bank owned or non Allpoint Network ATM	No Charge

Account Research Fee Per Hour	$25.00 (Minimum charge of one hour)
Account Verification Letter	$10.00
Legal Research Fee Per Hour	$25.00 (Minimum charge of one hour)
Account Escheatment Fee Garnishment	$25.00 per account
or Levy Administrative Fee	$25.00 per Levy or Garnishment

Official Check	$10.00
Money Order	$3.00
Stop Payment of Money Order or Official Check Rescind	$15.00
Stop Payment of Money Order or Official Check	$7.50
Immigration Letter	$20.00

rev 8.24.2022

Member FDIC
EQUAL OPPORTUNITY EMPLOYER
EQUAL HOUSING LENDER

Commercial Services

Commercial Lending

As your community bank, we know how important financing can be to the success of your business. Our goal is to make the lending process as simple as possible, so you'll receive personalized attention from experienced banking professionals in your neighborhood. Whether you're just starting out or expanding an existing business, we have the products and services that will work for you.

Term Loans

Term loans are often used to finance fixed-asset purchases for items such as equipment and vehicles. A great way to finance permanent working capital or debt consolidation, we have term loans available for buying, improving or refinancing commercial properties.

Lines of Credit

A revolving line of credit is a business essential. Use it to manage cash flow by financing short-term capital needs such as inventory, accounts receivable or other seasonal needs. With a line of credit, you're in control. You may borrow, repay and borrow again up to your credit limit.

Real Estate

Real estate lending is a key area of expertise for NorthEast Community Bank. Our loan officers work with customers to structure financing solutions that are both innovative and competitive, and have considerable expertise working in both the investor and owner-occupied markets. NECB offers loans for acquisition, refinance or construction/rehab, all designed to fit your specific needs.

SBA Loans

NorthEast Community Bank is an approved Small Business Administration lender. SBA loans can be used for a variety of purposes, including: Commercial real estate acquisition, renovation or expansion, equipment or inventory purchases, business debt re-financing or working capital, 504 real estate loans.

Cooperative Building Loans

We make our lending decisions right in the neighborhood because we're committed to building business communities in which we all thrive. And we provide quick responses to all requests.

Cash Management

Whether you're a sole proprietor or a CFO, managing your payables, receivables and payroll is like taking the pulse of your business. We offer state-of-the-art banking services to insure your business's total health.

Automated Clearing House Services

With ACH Services from NorthEast Community Bank, your business can process virtually any type of payment electronically. Use ACH Services to process payments including:

- Business-to-business payments
- Direct debit payment of consumer bills such as mortgages, loans, utilities, insurance premiums, rent, and any other regular payment
- Direct deposit of payroll, Social Security and other government payments, and tax refunds
- E-commerce payments
- Federal, state, and local tax payments

Automated Clearing House Services offer you a more efficient way of managing disbursements and collections for your business.

Remote Deposit

Using a PC, Internet connection and check scanning device, you can easily deposit checks into your business account at NorthEast Community Bank. Eliminate your worries about making it to a branch before it closes. With Remote Deposit, you can deposit checks electronically, with the click of a button.

You collect payments to your business, scan the checks using the terminal we provide, and submit the deposit. Your payments are electronically delivered to your accounts across town, across state lines, across the nation. With Remote Deposit, your office becomes your banking office.

Wire Transfers for just $3.50

Foreign or domestic. Incoming or outgoing. We make wire transfer one of the most economical ways to move funds from your NECB account to another. Wire transfer provides the fastest availability of funds by offering same-day execution and settlement. It's a quick and efficient way to securely manage your payables. And at NECB, you can move money for up to ten times less than at other banks.

Visa® Business Debit Card

The Visa Business debit card offers quick and easy purchasing power everywhere Visa is accepted. Visa's Zero Liability policy protects your card from unauthorized use wherever you use it – including online purchases. In addition to discounts at selected merchants, the card also offers you or your employees:

- Auto Rental Collision Damage Waiver coverage for damage due to collision or theft.
- Purchase Security and Extended Protection for qualified card purchases.
- Emergency card replacement and cash disbursement.
- Travel and emergency assistance.

And because NECB is a member of the international Allpoint network, you can use the card at more than 55,000 surcharge-free ATMs worldwide. You'll find Allpoint ATMs in Canada, Mexico, Puerto Rico, the UK and Australia. Allpoint now offers mobile locator apps, so anyone using the Visa debit card can find the nearest Allpoint ATM from your mobile device.

Of course we offer the Visa Business Debit Card at no cost to your business.

Visa Platinum Business Credit Cards

The Visa Platinum Business Credit Card offers benefits like reward points, state-of-the-artsecurity and fraud monitoring, travel accident insurance and more. We offer several card choices, each with 0% APR* for the first six billing cycles. Talk to an NECB Business Banker to determine the card that's right for your business.

** Annual Percentage Rate. Late payment or payment that is returned unpaid may result in loss of the introductory APR for balance transfers and application of the standard balance transfer APR. Cards are subject to credit approval and issued by TCM Bank, N.A.*

CRA Related Public Comments

There have been no CRA/HMDA related public comments.

NORTHEAST COMMUNITY BANK

Loans to Deposits Ratios {1}

Quarter Ended	Schedule RC, line 4.d Net Loans and Leases	Schedule RC, line 13.a Total Deposits {2}	Loans to Deposits Ratio
March 31, 2019	759,773	753,033	100.90%
June 30, 2019	766,537	783,283	97.86%
September 30, 2019	759,157	869,560	87.30%
December 31. 2019	743,524	783,236	94.93%
March 31, 2020	783,260	728,315	107.54%
June 30, 2020	797,604	768,753	103.75%
September 30, 2020	801,761	766,876	104.55%
December 31, 2020	815,364	775,100	105.19%
March 31, 2021	824,996	770,559	107.06%
June 30, 2021	819,735	878,987	93.26%
September 30, 2021	899,351	856,676	104.98%
December 31, 2021	963,616	967,391	99.61%
March 31, 2022	998,556	994,676	100.39%
June 30, 2022	1,015,014	930,695	109.06%
September 30, 2022	1,108,838	996,896	111.23%
December 31, 2022	1,198,530	1,135,644	105.54%
March 31, 2023	1,296,370	1,212,545	106.91%
June 30, 2023	1,375,198	1,320,883	104.11%
September 30, 2023	1,489,011	1,371,287	108.58%
December 31, 2023	1,567,683	1,404,480	111.62%
March 31, 2024	1,635,527	1,515,343	107.93%
June 30, 2024	1,689,186	1,569,349	107.64%
September 30, 2024	1,741,306	1,633,062	106.63%
December 31, 2024	1,793,640	1,675,796	107.03%
March 31, 2025	1,716,366	1,593,311	107.72%
June 30, 2025	1,788,724	1,492,749	119.83%
September 30, 2025	1,864,898	1,526,575	122.16%
December 31, 2025	1,852,503	1,623,022	114.14%
Footnotes			
(1) - Source: Call Reports			
(2) - Includes escrow deposits			

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF NORTHEAST COMMUNITY BANK

AS OF MARCH 31, 2024

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

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

I - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of NorthEast Community Bank ("NECB" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This Evaluation represents the Department's current assessment and rating of the Bank's CRA performance based on an evaluation conducted as of March 31, 2024

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

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

(1) Outstanding record of meeting community credit needs;

(2) Satisfactory record of meeting community credit needs;

(3) Needs to improve in meeting community credit needs; and

(4) Substantial noncompliance in meeting community credit needs.

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

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

B. Community Development Test: Outstanding

NECB's community development performance demonstrated and excellent responsiveness to the community development needs of its assessment area through community development loans and qualified investments, considering the Bank's capacity, and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, NECB originated $656.6 million in new community development loans and had no community development loans outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending. All of NECB's community development lending supported affordable housing.

2. Qualified Investments:

During the evaluation period, NECB made $10 million in qualified investments and had $8.5 million outstanding from prior evaluation periods. In addition, NECB made $12,500 in qualified grants. This demonstrated an excellent level of qualified investments over the course of the evaluation period.

3. Community Development Services:

NECB demonstrated a poor level of community development services over the course of the evaluation period with four qualified community development services activities.

4. Responsiveness to Community Development Needs:

NECB demonstrated an excellent level of responsiveness to credit and community development needs.

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

The Bank's assessment area consists of the following counties: Bronx, New York, Rockland, Westchester, Orange, and Sullivan. The Bank removed King County from its assessment area in August of 2023, due to low lending volume in the county.

There are 1,115 census tracts in the Bank's assessment area, of which 196 are low-income, 225 are moderate-income, 220 are middle-income, 422 are upper-income, and 52 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
New York	23	36	44	32	175	310	25.8
Rockland	1	11	11	10	47	80	27.5
Westchester	6	10	27	49	149	241	15.4
Orange	0	10	17	47	18	92	29.3
Sullivan	1	0	5	17	8	31	16.1
Total	52	196	225	220	422	1,115	37.8

C. Demographic & Economic Data

The assessment area had a population of 4,989,625 during the evaluation period. Approximately 14.8% of the population were over the age of 65 and 21.6% were under the age of 16.

Of the 1,083,355 families in the assessment area 27.5% were low-income, 14.4% were moderate-income, 14.6% were middle-income and 43.5% were upper-income. There were 1,882,697 households in the assessment area, of which 16.7% had income below the poverty level and 4.1% were on public assistance. The weighted average median family income in the assessment area was $107,016.

There were 2,096,428 housing units within the assessment area, of which 32.8% were one- to four-family units and 66.6% were multifamily units, 32.4 % of the housing units were owner-occupied while 57.4% were rental-occupied units and 10.2% were vacant units.

Of the total 1,203,790 rental-occupied units, 50.8% were in LMI census tracts while 47.5% were in middle- and upper-income census tracts. The weighted average monthly gross rent in the assessment area was $1,604.

Of the 678,907 owner-occupied housing units, 13.8% were in LMI census tracts while 85.4% were in middle- and upper-income census tracts. The median age of the housing stock was 67 years, and the median home value in the assessment area was $597,464.

There were 908,247 non-farm businesses in the assessment area. Of these, 91.6% were businesses with reported revenues of less than or equal to $1 million, 3.4% reported revenues of more than $1 million and 5% did not report their revenues. Of all the businesses in the assessment area, 97.7% were businesses with less than fifty employees while 94.7% operated from a single location. The largest industries in the area were services at 34.4%, finance, insurance, and real estate at 12%, retail trade at 10.3% and 30.5% of businesses in the assessment area were not classified.

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated NECB under the intermediate small banking institution performance criteria in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. Loan-to-deposit ratio and other lending-related activities;
2. Assessment area concentration;
3. Distribution of loans by borrower characteristics;
4. Geographic distribution of loans; and
5. Action taken in response to written complaints regarding CRA.

The community development test includes:

1. Community development lending;
2. Community development investments;
3. Community development services; and
4. Responsiveness to community development needs.

DFS also considered the following factors in assessing the bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Evidence of any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

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

DFS derived the demographic data referred to in this report from the 2010 and 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2021, 2022, and 2023 for lending activities and the period from April 1, 2021 to March 31, 2024, for community development activities.

Examiners considered NECB's small business, HMDA-reportable, and construction lending in evaluating factors (2), (3) and (4) of the lending test noted above.

a. HMDA-Reportable Loans:

During the evaluation period, NECB originated 80% by number and 62.4% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of NECB's assessment area reflects a reasonable concentration of lending.

b. Small Business Loans:

During the evaluation period, NECB originated 95% by number and 98% by dollar value of its small business loans within the assessment area. This substantial majority of lending inside of NECB's assessment area reflects an excellent concentration of lending.

c. Construction Loans:

During the evaluation period, NECB originated 98.5% by number and 98.7% by dollar value of its construction loans within the assessment area. This substantial majority of lending inside of NECB's assessment area reflects an excellent concentration of lending.

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

Distribution of Loans Inside and Outside of the Assessment Area

Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
HMDA-Reportable										
2021	10	76.9%	3	23.1%	13	8,602	37.5%	14,367	62.5%	22,969
2022	12	92.3%	1	7.7%	13	14,354	86.7%	2,200	13.3%	16,554
2023	6	66.7%	3	33.3%	9	10,475	74.7%	3,550	25.3%	14,025
Subtotal	28	80.0%	7	20.0%	35	33,431	62.4%	20,117	37.6%	53,548
Small Business										
2021	14	93.3%	1	6.7%	15	6,494	99.6%	27	0.4%	6,521
2022	20	100.0%		0.0%	20	8,476	100.0%	-	0.0%	8,476
2023	23	92.0%		0.0%	25	12,078	95.8%	534	4.2%	12,612
Subtotal	57	95.0%	1	1.7%	60	27,048	98.0%	561	2.0%	27,609
Construction										
2021	224	99.1%	2	0.9%	226	480,307	98.7%	6,500	1.3%	486,807
2022	190	97.4%	5	2.6%	195	405,487	98.5%	6,103	1.5%	411,590
2023	118	99.2%	1	0.8%	119	302,521	98.8%	3,600	1.2%	306,121
Subtotal	532	98.5%	8	1.5%	540	1,188,315	98.7%	16,203	1.3%	1,204,518
Grand Total	617	97.2%	16	2.5%	635	1,248,794	97.1%	36,881	2.9%	1,285,675

3. Distribution by Borrower Characteristics:

NECB's small business lending demonstrated a reasonable distribution of loans to businesses of different revenue sizes.

a. HMDA-Reportable Loans:

The distribution of NECB's HMDA-reportable loans among census tracts of different income levels was reasonable.

NECB's average HMDA-reportable lending rates in LMI geographies for the evaluation period of 21.4% by number and 22.7% by dollar value of loans, just exceeded the aggregate's lending rates of 18.4% and 22.2%, respectively.

The Bank's annual HMDA-reportable lending rates in LMI geographies in 2021 and 2023 exceeded the percentage of owner-occupied housing units, while the Bank's Lending rate in 2022 was comparable to the percentage of owner-occupied housing units.

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

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2021									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	6,452	5.2%	6,834,100	7.5%	3.8%
Moderate	2	20.0%	3,580	41.6%	17,099	13.8%	14,899,925	16.3%	14.7%
LMI	2	20.0%	3,580	41.6%	23,551	19.0%	21,734,025	23.7%	18.5%
Middle	1	10.0%	500	5.8%	26,547	21.4%	14,322,135	15.7%	25.4%
Upper	7	70.0%	4,522	52.6%	73,634	59.4%	55,307,730	60.4%	55.9%
Unknown	0	0.0%	0	0.0%	223	0.2%	148,525	0.2%	0.2%
Total	**10**		**8,602**		**123,955**		**91,512,415**		
2022									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	1	8.3%	635	4.4%	3,923	5.2%	4,786,815	6.7%	4.0%
Moderate	1	8.3%	2,000	13.9%	10,070	13.3%	10,288,680	14.3%	14.5%
LMI	2	16.7%	2,635	18.4%	13,993	18.5%	15,075,495	21.0%	18.6%
Middle	2	16.7%	630	4.4%	18,425	24.3%	11,807,045	16.4%	27.6%
Upper	8	66.7%	11,089	77.3%	42,517	56.2%	44,132,885	61.4%	53.0%
Unknown	0	0.0%	0	0.0%	767	1.0%	910,185	1.3%	0.8%
Total	**12**		**14,354**		**75,702**		**71,925,610**		
2023									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	2	33.3%	1,390	13.3%	1,767	5.5%	2,463,385	10.2%	3.7%
Moderate	0	0.0%	0	0.0%	3,285	10.2%	2,340,315	9.7%	10.2%
LMI	2	33.3%	1,390	13.3%	5,052	15.7%	4,803,700	19.9%	13.8%
Middle	1	16.7%	160	1.5%	7,673	23.9%	3,157,425	13.1%	22.8%
Upper	3	50.0%	8,925	85.2%	19,116	59.5%	15,943,330	65.9%	62.6%
Unknown	0	0.0%	0	0.0%	278	0.9%	276,050	1.1%	0.7%
Total	**6**		**10,475**		**32,119**		**24,180,505**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	3	10.7%	2,025	6.1%		5.2%		7.5%	
Moderate	3	10.7%	5,580	16.7%		13.1%		14.7%	
LMI	6	21.4%	7,605	22.7%	42,596	18.4%	41,613,220	22.2%	
Middle	4	14.3%	1,290	3.9%		22.7%		15.6%	
Upper	18	64.3%	24,536	73.4%		58.4%		61.5%	
Unknown	0	0.0%	0	0.0%		0.5%		0.7%	
Total	**28**		**33,431**		**231,776**		**187,618,530**		

c. Construction Loans

The distribution of NECB's construction loans by the income level of the geography where the construction project was located was excellent.

During the evaluation period, NECB originated 67.5% by number and 65.8% by dollar value of its construction loans in LMI geographies, exceeding the range of 35.9% to 41.3% of housing units located in LMI geographies in the Bank's assessment area during the evaluation period.

The following table provides a summary of the distribution of NECB's construction loans by the income level of the geography where the borrower or construction project was located.

Distribution of Construction Lending by Geographic Income of the Census Tract					
2021					
Geographic	**Bank**				**HU Dem.**
Income	#	%	$000's	%	%
Low	69	30.8%	132,658	27.6%	16.3%
Moderate	92	41.1%	159,114	33.1%	25.0%
LMI	161	71.9%	291,772	60.7%	41.3%
Middle	31	13.8%	90,583	18.9%	20.2%
Upper	32	14.3%	97,952	20.4%	38.3%
Unknown	0	0.0%	0	0.0%	0.3%
Total	**224**		**480,307**		
2022					
Geographic	**Bank**				**HU Dem.**
Income	#	%	$000's	%	%
Low	71	37.4%	212,871	52.5%	16.0%
Moderate	48	25.3%	73,294	18.1%	22.7%
LMI	119	62.6%	286,165	70.6%	38.7%
Middle	32	16.8%	54,284	13.4%	22.4%
Upper	38	20.0%	56,938	14.0%	37.5%
Unknown	1	0.5%	8,101	2.0%	0.0%
Total	**190**		**405,487**		
2023					
Geographic	**Bank**				**HU Dem.**
Income	#	%	$000's	%	%
Low	48	40.7%	126,692	41.9%	17.2%
Moderate	31	26.3%	76,854	25.4%	18.7%
LMI	79	66.9%	203,546	67.3%	35.9%
Middle	17	14.4%	34,152	11.3%	17.5%
Upper	22	18.6%	64,823	21.4%	45.2%
Unknown	0	0.0%	0	0.0%	0.0%
Total	**118**		**302,521**		
GRAND TOTAL					
Geographic	**Bank**				**HU Dem.**
Income	#	%	$000's	%	%
Low	188	35.3%	472,221	39.7%	
Moderate	171	32.1%	309,262	26.0%	
LMI	359	67.5%	781,483	65.8%	
Middle	80	15.0%	179,019	15.1%	
Upper	92	17.3%	219,713	18.5%	
Unknown	1	0.2%	8,101	0.7%	
Total	**532**		**1,188,315**		

5. Action Taken in Response to Written Complaints with Respect to CRA: N/A

Neither NECB nor DFS received any written complaints regarding NECB's CRA performance during the evaluation period.

Below is a summary of NECB's qualified investments and qualified grants.

- NECB purchased three municipal bonds totaling $10 million and issued by a village in Orange County with a high poverty rate.

- NECB made three donations totaling $7,000 to two food banks located in the Bank's assessment area that provide nutritious food for free to individuals and families.

4. Community Development Services:

NECB's directors, member of management and employees participated in four instances of qualified community development services during the evaluation period. This demonstrated a poor level of community development services.

A breakdown of the Bank's community development services is in the table below:

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	3
Technical Assistance	
Seminars/Workshops	1
Credit Counseling	
Total Community Development Services	**4**

Below is a summary of NECB's community development services.

- A vice president of the Bank hosted a financial literacy workshop at the Bronx office attended by students from a school where 97% of the student population qualify for the free or reduced lunch program.

Responsiveness to Community Development Needs:

NECB demonstrated an excellent level of responsiveness through community development lending and investments.

C. Additional Factors

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

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

NECB's board of directors approves the Bank's CRA Policy annually and is kept abreast of the Bank's CRA performance through quarterly CRA and HMDA performance review reports. The reports track CRA activities including loans and rent rolls. In addition, the Bank has a periodic CRA review/audit performed by a third party, which is provided to the board for review.

NECB's website provides information on the Bank's various lending and deposit products, as well as services offered for consumers and businesses. The Bank relies heavily on word-of-mouth marketing within the communities it serves, such as through teams of lending officers and branch managers making the community aware of its lending programs, including multifamily, affordable housing construction lending.

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

DFS noted no other factors.

loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state, and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

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

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

Community Development Financial Institution ("CDFI")

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department's CDFI Fund.

income. In cases where the residential property is in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council ("FFIEC").

LMI Individuals/Persons

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

LMI Penetration Rate

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

Low-Income Housing Tax Credit ("LIHTC")

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

Minority Depository Institutions ("MDIs")

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

New Markets Tax Credit ("NMTC")

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

PUBLIC DISCLOSURE

May 6, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NorthEast Community Bank
Certificate Number: 29147

325 Hamilton Ave
White Plains, New York 10601

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, NY 10118

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.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding.**

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Outstanding.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and credit needs of its assessment areas.
- The bank made a substantial majority of its loans in its assessment areas.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

The institution demonstrated excellent responsiveness to the community development needs in its assessment areas through its community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

DESCRIPTION OF INSTITUTION

NorthEast Community Bank (NECB) is headquartered in White Plains, New York, with operations in southern New York State and parts of eastern Massachusetts. NECB is a wholly owned subsidiary of Northeast Community Bancorp, Inc. (Bancorp), a mid-tier holding company. Bancorp is owned by Northeast Community Bancorp, Mutual Holding Company. Both the parent and mid-tier holding companies are also located in White Plains, New York.

NECB received a "Satisfactory" rating at its previous Federal Deposit Insurance Corporation (FDIC) Community Reinvestment Act (CRA) evaluation dated May 10, 2021, based on Interagency Intermediate Small Institution CRA Examination Procedures.

Operations

NECB operates eleven full-service branch offices and three loan production offices (LPOs) within its assessment areas (AA). Eight branch offices and two LPOs are located in the New York AA, which is in the greater New York City area. Three branch offices and one LPO are located within the Massachusetts AA, which includes portions of the Boston metropolitan area. Since the prior evaluation, the bank opened a branch in Rockland County, New York, in October 2021, and a branch in Sullivan County, New York, in June 2022. The bank did not close any offices, nor engage in any merger or acquisition activity since the prior evaluation.

NECB offers a range of deposit and lending products tailored to meet the needs of its local communities. These products include personal checking and savings accounts, commercial checking and savings accounts, online and mobile banking, as well as commercial and consumer loans. However, NECB does not offer consumer home mortgages; rather, the bank focuses on commercial real estate loans, especially housing construction loans. The bank also offers business loans and is an approved Small Business Administration lender. The bank's alternative delivery channels and services include the automated teller machine (ATM) network, internet banking, mobile banking, telephone banking, and electronic bill pay.

Ability and Capacity

As of March 31, 2024, the bank reported total assets of $1.85 billion. Loans are the primary asset at $1.64 billion, while securities total $130 million. Deposits total $1.52 billion.

The following table provides a breakdown of the loan portfolio as of March 31, 2024.

Loan Portfolio Distribution		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	1,279,678	78.0
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	4,647	0.3
Secured by Multi-family (5 or more) Residential Properties	226,438	13.8
Secured by Non-farm Non-Residential Properties	19,130	1.2
Total Real Estate Loans	**1,529,893**	**93.3**
Commercial and Industrial Loans	108,882	6.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer	1,650	0.1
Obligations of states and political subdivisions	0	0.0
Loans to non-depository institutions	0	0.0
Total Loans	**1,640,425**	**100.0**
Source: Report of Condition and Income, 3/31/2024		

There are no financial, legal, or other impediments affecting the bank's ability to meet the credit needs of its AAs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas (AAs) for which examiners will evaluate its CRA performance. NECB identified the following two separate AAs:

- New York: This AA contains seven counties in the state of New York. The AA includes Bronx, Kings, New York, Rockland, and Westchester Counties, which compose part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) #35620. The bank also designated Orange County, which composes a part of the Poughkeepsie-Newburgh-Middletown, NY MSA #39100. With the opening of the bank's branch in Bloomingburg in June 2022, the bank added Sullivan County to the assessment area, which is in a non-MSA area. Since each of these counties are located entirely within the larger New York-Newark, NY-NJ-CT-PA Combined Statistical Area (CSA) #408, the evaluation presents the bank's performance in these areas on a combined basis as a single metropolitan AA (New York AA). In addition, this is the bank's primary AA, as it maintains a majority of its branches, deposits, and lending activity in this area.

  The bank amended its AA in August 2023 to remove Kings County due to limited lending. However, since Kings County was part of the bank's AA for the majority of the evaluation period, Kings County was considered as part of the AA for this review.

- Massachusetts: This AA is composed of Essex, Middlesex, Norfolk, and Suffolk counties, which forms part of the Boston-Cambridge-Newton, MA-NH MSA # 14460, and Worcester County, which composes all of the Worcester, MA-CT MSA #49340. The bank added Worcester County to the AA since the previous evaluation, due to its increased lending activity in Worcester County since 2021. The evaluation presents these areas as one AA (Massachusetts AA), as the MSAs are contiguous and are located within the Boston-Worcester-Providence, MA-RI-NH-CT CSA.

Refer to the separate AA sections of this evaluation for a detailed description of NECB's performance within each AA.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Intermediate Small Institution CRA Examination Procedures to evaluate NECB's performance since the previous evaluation dated May 10, 2021, to the current evaluation date of May 6, 2024. The procedures consist of the Lending and Community Development Tests (see Appendices). Examiners placed more weight on the bank's performance under the Lending Test in arriving at the overall performance rating.

Examiners used full-scope procedures to assess NECB's performance in its New York and Massachusetts AAs. Examiners placed more weight on the bank's performance in its New York AA, as that area accounted for a greater share of its operations, deposits, and lending activity. However, NECB's activity within its Massachusetts AA was material and affected the overall rating, since it includes 28.6 percent of the bank's branches and 11.8 percent of its total deposits.

Activities Reviewed

Examiners analyzed NECB's CRA performance using construction, home mortgage, and small business loans, as these loan types represent the bank's major product lines based on a review of bank records, business strategy, loan portfolio composition, and discussions with bank management. NECB did not originate any small farm loans during the evaluation period.

Examiners evaluated the bank's construction lending for 2021, 2022, and 2023 using bank records. The bank's construction loans primarily financed the construction of condominium housing for later sale to individual homeowners. (NECB does not provide end user financing for the purchase of the individual units.) Although examiners do not typically evaluate construction financing as part of an institution's CRA performance evaluation, examiners reviewed NECB's construction lending, as these loans represent a substantial portion of the bank's lending activity within its AAs at 79.4 percent by dollar volume and 86.4 percent by number since the prior evaluation. The bank made 532 construction loans totaling about $1.2 billion within its AAs during the three-year period reviewed. Examiners compared the bank's record of construction lending to the 2015 American Community Survey (ACS) demographic data and to the 2020 United States (U.S.) Census Data.

Examiners reviewed the bank's small business loans for 2021, 2022, and 2023. Small business loans include commercial real estate or commercial and industrial loans and lines of credit in amounts of $1 million or less. Since the bank is not required to collect or report small business loan data as an intermediate small bank, examiners analyzed internal bank records. The bank made 72 small business loans totaling about $27.1 million within its AAs during the review period. Examiners compared the bank's record of small business lending to D&B demographic data for 2021, 2022, and 2023.

Examiners reviewed the bank's home mortgage loans for 2021, 2022, and 2023. The loans include home purchase and home improvement loans, including refinancings, on 1-4 family and multifamily (five or more unit) properties. The bank does not originate consumer home mortgage loans, but instead focuses on lending to real estate investors and developers. In this context, the bank makes loans to corporate entities only, such as limited liability companies. Since the bank was only subject to the Home Mortgage Disclosure Act (HMDA) data reporting requirements in 2023, it did not report home mortgage loan data in 2021 and 2022; therefore, examiners used internal bank records for the analysis for those two years. The bank made 66 home mortgage loans totaling $164.6 million within its AAs during the review period. Examiners compared the bank's home mortgage lending to the 2015 American Community Survey (ACS) demographic data and 2020 U.S. Census Data.

Under the Lending Test, examiners placed the most weight on the construction loans, with a secondary emphasis on the small business loans and home mortgage loans based on the number of loans originated and discussions with bank management. The lending review included originations only, as the bank does not purchase loans. In addition, while the evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals and businesses served. Lastly, examiners placed less emphasis on the Borrower Profile criterion, as there was limited borrower income information available. Specifically, borrower income information was available for the small business loans only, as the bank is not required to report borrower income for its home mortgage loans to non-natural persons and had limited information available for the applicable construction loans.

The CRA evaluation reviewed the bank's community development loans, investments, and services for the period since the May 10, 2021 CRA Performance Evaluation. Qualified investments included new investments and grants, as well as outstanding qualified investments from the prior evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated "Outstanding." The bank's performance in the Loan-to-Deposit Ratio, Assessment Area Concentration, and Geographic Distribution criteria primarily supports the rating. The conclusions for NECB's overall performance are consistent with the bank's performance in its New York AA, but differed from the Massachusetts AA, which the evaluation rated "Satisfactory."

Loan-to-Deposit (LTD) Ratio

NECB's average net LTD ratio is more than reasonable considering the bank's size, financial condition, and the credit needs of the AAs. The bank had an average net LTD ratio of 105.3 percent based on the 12 quarterly Reports of Condition and Income published since the prior evaluation. The bank's current net LTD ratio stands at 107.9 percent, as of March 31, 2024.

Examiners compared NECB's average net LTD ratio to that of several similarly situated institutions selected based on asset size, geographic location, areas served, and lending focus. As shown in the following table, NECB's average net LTD ratio was higher than all but one of the similarly situated lenders, which demonstrates the bank is an active lender.

Loan-to-Deposit Ratio Comparison		
Institution	**Total Assets as of 3/31/2024 $(000s)**	**Average Net LTD Ratio (%)**
NECB	*1,851,203*	*105.27*
Institution 1	1,593,886	59.77
Institution 2	2,259,646	87.57
Institution 3	2,306,539	106.92
Source: Reports of Condition and Income, 06/30/2021 through 3/31/2024		

Assessment Area Concentration

NECB made a substantial majority of its loans inside its AAs for each of the bank's primary product lines, including construction, small business, and home mortgage lending. As shown in the following table, the bank originated 92.6 percent of its total loans by number and 93.0 percent by dollar volume inside its AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$**
Construction										
2021	226	95.4	11	4.6	237	488,270	94.6	27,961	5.4	516,231
2022	188	94.5	11	5.5	199	408,683	95.9	17,383	4.1	426,066
2023	120	98.4	2	1.6	122	322,576	98.1	6,091	1.9	328,667
Subtotal	**534**	**95.7**	**24**	**4.3**	**558**	**1,219,529**	**96.0**	**51,435**	**4.0**	**1,270,964**
Home Mortgage										
2021	16	72.7	6	27.3	22	22,695	58.8	15,881	41.2	38,576
2022	26	89.7	3	10.3	29	75,679	83.4	15,040	16.6	90,719
2023	24	92.3	2	7.7	26	66,220	79.8	16,800	20.2	83,020
Subtotal	**66**	**85.7**	**11**	**14.3**	**77**	**164,594**	**77.5**	**47,721**	**22.5**	**212,315**
Small Business										
2021	20	76.9	6	23.1	26	7,674	73.8	2,727	26.2	10,401
2022	29	82.9	6	17.1	35	10,355	85.3	1,786	14.7	12,141
2023	23	76.7	7	23.3	30	9,042	81.4	2,069	18.6	11,111
Subtotal	**72**	**79.1**	**19**	**20.9**	**91**	**27,071**	**80.4**	**6,582**	**19.6**	**33,653**
Total	**672**	**92.6**	**54**	**7.4**	**726**	**1,411,194**	**93.0**	**105,738**	**7.0**	**1,516,932**
Source: Bank Data. Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

NECB's geographic distribution of loans reflects an excellent dispersion throughout its AAs on a combined basis. The bank's performance differed among its assessment areas, as it had an excellent dispersion in its New York AA versus a reasonable dispersion in its Massachusetts AA. Examiners placed the most weight on the New York AA in developing the overall conclusion. Refer to the Geographic Distribution comments within the Lending Test section for each AA for a more detailed discussion of the bank's performance.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes considering the area's demographics. NECB's performance differed among its assessment areas, as it had a reasonable penetration among businesses of different sizes in its New York AA versus a poor penetration in its Massachusetts AA. Examiners placed the most weight on the New York AA in developing the overall conclusion. Refer to the Borrower Profile comments within the Lending Test section for each AA for a more detailed discussion of the bank's performance.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

NECB is rated Outstanding for the Community Development Test. The Intermediate Small Bank CRA examination procedures provide the bank flexibility in how to meet community development needs under the Community Development Test. NECB demonstrated excellent responsiveness to the community development needs of its AAs, primarily through its community development lending and qualified investments. The conclusions for NECB's overall performance are consistent with the bank's performance in its New York AA, but differed from the Massachusetts AA, which the evaluation rated "Satisfactory." In making the overall determination, examiners considered the needs of NECB's AAs, the bank's business focus, and the institution's capacity. Please refer to the individual AA sections for a more detailed description of the bank's community development activities.

Community Development Loans

NECB originated 234 community development loans during the evaluation period totaling approximately $812.9 million. This dollar amount represents 43.9 percent of total assets and 49.6 percent of total loans, as of March 31, 2024, which is substantial. The bank's community development lending represents a significant increase from the prior evaluation, at 143.8 percent by number and 157.7 percent by dollar volume. Similar to the bank's activity at the previous examination, the community development loans focus on affordable housing needs.

The table below shows the distribution of loans by rated area and community development purpose.

Community Development Lending by Assessment Area										
Rated Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
New York	226	773,526	0	0	1	2,500	3	26,180	230	802,206
Massachusetts	4	10,702	0	0	0	0	0	0	4	10,702
Total	**230**	**784,228**	**0**	**0**	**1**	**2,500**	**3**	**26,180**	**234**	**812,908**
Source: Bank Data										

Qualified Investments

The bank made 36 qualified investments and donations totaling approximately $30.1 million during the evaluation period. This represents 1.6 percent of total assets, 89.3 percent of total securities, and 11.3 percent of total equity capital, as of March 31, 2024. The performance represents a significant increase from the previous evaluation, where the bank made 24 investments and donations totaling approximately $14.6 million. The investments and donations focused on affordable housing and community services, and were all within the bank's assessment areas.

The table below provides the distribution of the bank's investment activity by rated area and community development purpose.

Community Development Investments by Assessment Area										
Rated Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
New York	7	7,926	11	24	0	0	8	9,797	**26**	**17,747**
Massachusetts	9	12,406	1	1	0	0	0	0	**10**	**12,407**
Total	**16**	**20,332**	**12**	**25**	**0**	**0**	**8**	**9,797**	**36**	**30,154**
Source: Bank Data										

Community Development Services

NECB performed two community development services during the evaluation period, both in the New York AA. The community development service activity represents a significant decline from the previous evaluation, where the bank provided 83 instances of community development services within the assessment areas. According to management, the COVID-19 pandemic hindered opportunities for bank staff to coordinate opportunities within the respective assessment areas.

NECB maintains four branches in low- and moderate-income census tracts, which enhances access to its banking services for the low- and moderate-income consumers who live in those areas. These branches include two offices in low-income tracts in the New York AA, one office in a moderate-income tract in the New York AA, and one office in a moderate-income tract in the Massachusetts AA.

The bank also offers a low-cost checking account that is of particular benefit for low- and moderate-income consumers. The account has no minimum balance or deposit requirements, no per-check charges, and no overdraft or insufficient funds fees, which is far below the industry standard and makes the account more affordable.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

NEW YORK - Full-Scope Review

CRA RATING FOR NEW YORK:

The Lending Test is rated: Outstanding
The Community Development Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

The New York AA comprises a portion of the New York-Newark, NY-NJ-CT-PA CSA. The AA includes all of Bronx, Kings, New York, Orange, Rockland, Westchester, and Sullivan Counties, and is entirely within the greater New York City metropolitan area.

NECB operates eight branch offices and ATMs in this AA. In terms of geographic distribution, two branches are in low-income tracts, one branch is in a moderate-income tract, three branches are in middle-income tracts, and two branches are in upper-income tracts. The reclassification of the census tract income designations based on 2020 U.S. Census data affected how many of the bank's branches are in low- and moderate- income census tracts. Specifically, the income designation for the census tract where the Bronx branch is located changed from low income to moderate income. The bank also operates two LPOs, with one located in Rockland County and one located in Westchester County.

The New York AA accounted for 71.4 percent of the bank's total branches, 88.2 percent of its total deposits, and 90.0 percent of its total construction, small business, and home mortgage loans made within its AAs on a combined basis. As such, examiners weighted this AA more heavily in arriving at the overall performance rating.

Economic and Demographic Data

The New York AA is composed of 1,920 census tracts. Based on the 2020 U.S. Census, the census tracts include 288 low-, 460 moderate-, 483 middle-, and 591 upper-income census tracts, as well as 98 tracts with no-income designation (NA tracts).

The assessment area changed since the previous evaluation due to the addition of Sullivan County. The assessment area also changed due to the nationally revised metropolitan area delineations published by the U.S. Office of Management and Budget (OMB), effective February 2023. The OMB published revised demographic data based on the 2020 U.S. Census. The addition of Sullivan County to the AA and the census tract changes in the 2020 census data resulted in an increase of 165 total census tracts, in addition to changes to existing geographic income classifications. Overall, the AA had an increase of 88 middle-, 26 upper-, and 57 NA- income tracts, and a decrease of 1 low- and 5 moderate-income census tracts.

The following table provides select demographic characteristics for this AA.

Demographic Information New York Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	1,920	15.0	24.0	25.2	30.8	5.1
Population by Geography	7,725,699	17.8	25.0	22.6	33.1	1.5
Housing Units by Geography	3,152,088	16.0	22.7	22.4	37.5	1.4
Owner-Occupied Units by Geography	973,987	4.0	14.5	27.6	53.0	0.8
Occupied Rental Units by Geography	1,881,024	23.2	27.6	19.8	27.6	1.7
Vacant Units by Geography	297,077	9.5	18.0	21.8	48.8	1.9
Businesses by Geography	1,133,529	10.5	17.7	17.8	49.2	4.8
Farms by Geography	3,156	5.7	11.6	23.4	55.2	4.1
Family Distribution by Income Level	1,677,778	29.1	15.0	15.2	40.8	0.0
Household Distribution by Income Level	2,855,011	31.0	13.4	13.9	41.7	0.0
Median Family Income - 35614 New York-Jersey City-White Plains, NY-NJ MSA		$95,165	Median Housing Value			$597,464
Median Family Income MSA – 39100 Poughkeepsie-Newburgh-Middletown, NY MSA		$101,784	Median Gross Rent			$1,604
Median Family Income Non-MSA – Sullivan County		$74,058	Families Below Poverty Level			16.7%
Source: 2020 Census And 2023 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of the bank's small business loans by the gross annual revenue (GAR) of the business for each year. Listed below is the distribution of businesses by GAR in the NY AA according to 2023 D&B data:

- 93.0 percent have GARs of $1 million or less;
- 2.8 percent have GARs more than $1 million; and
- 4.2 percent have unknown revenues.

The top employers in the New York-Jersey City-White Plains, NY-NJ MD portion of the bank's AA, which encompasses much of the bank's New York AA, are Montefiore Health System, Mount Sinai Health System, JP Morgan Chase & Company, Bank of America, and New York-Presbyterian Health Care System.

According to Moody's Analytics, the New York-Jersey City-White Plains, NY-NJ MD portion of the bank's AA is considered the financial capital of the world with economic strengths that include high per capita income, low exposure to manufacturing, a robust healthcare industry, and a highly skilled workforce. Economic weaknesses in the area stem from layoffs and increased unemployment, high costs, rapidly aging infrastructure, and a decreasing population.

The COVID-19 pandemic considerably affected local and global environments. The stay-at-home orders and temporary closures of non-essential businesses that became effective in March 2020, caused significant hardships for both individuals and businesses. The pandemic triggered dramatic increases in statewide and national unemployment rates. Throughout the majority of the review period, unemployment remained high, but began improving in 2023. As of March 2024, the unemployment rate for the New York–Newark–Jersey City, NY–NJ MSA was 4.3 percent. The national unemployment rate was 3.8 percent, reflecting the individual AA's ongoing economic challenges and progress in its recovery post-pandemic.

Competition

NECB is not required to collect or report its small business data, and it has not elected to do so. Therefore, examiners did not compare the bank's small business lending to aggregate reported data. However, the aggregate data is referenced here, as it reflects the demand for small business loans. The 2022 aggregate small business lending data shows that 260 institutions originated 285,334 loans in the AA, which indicates strong competition for this product. The top ten lenders accounted for 65.6 percent of total loans. Most all of the top lenders are large national credit card banks or very large multi-billion dollar regional banks that serve the greater northeast of the country.

The bank was also not required to collect or report its home mortgage loan data in 2021 and 2022. Therefore, examiners did not compare the bank's home mortgage lending to aggregate reported data, but instead to the appropriate demographic data. Nonetheless, the 2022 aggregate home mortgage lending data shows that 480 institutions originated 97,875 loans in the AA, which indicates strong competition for this product. The top ten lenders accounted for 47.2 percent of total loans. Most all of the top lenders are large national or regional banks that serve the greater northeast region of the country.

Since construction loan data is not traditionally collected, reported, or analyzed for CRA evaluation purposes, there is no aggregate market data available to estimate competition or demand.

The AA is a competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2023, 108 financial institutions operated 1,125 offices within the bank's AA. Of these institutions, NECB ranked 40th with a less than 0.1 percent deposit market share. The five most prominent institutions with the highest deposit market shares accounted for 75.9 percent of total market share. These entities are large multi-billion dollar depository institutions that serve a much larger multi-state or national area in addition to this AA.

Community Contact

Examiners reviewed a recently conducted community contact with a local community service organization that primarily serves Westchester County. The organization provides support to low-income families and children in its area by partnering with other local nonprofits, raising funds, and organizing community service and financial education events. The contact stressed the importance of financial education in Westchester County, and added that financial institutions can have a positive impact on low- and moderate-income communities in Westchester by hosting and participating in financial literacy events. The contact also identified affordable housing as a primary need in the community, as it is extremely limited in Westchester County. Financial institutions can benefit the community by participating in financing the construction of affordable housing developments. There are community groups and nonprofits in this area that seek to work with financial institutions to create and offer affordable housing opportunities to low- and moderate-income people in Westchester. Additionally, the contact emphasized the impact of donations and grants to these organizations and the communities they serve.

Credit and Community Development Needs and Opportunities

Based on information from the community contact, bank management, and the demographic and economic data, there are ongoing credit needs in the AA for affordable housing and financial education.

SCOPE OF EVALUATION – NEW YORK

Examiners performed a full-scope review to evaluate and rate the bank's performance in the New York AA. The evaluation considered construction, small business, and home mortgage loans originated during 2021, 2022, and 2023. Considering the high volume of construction loans in the New York AA, examiners placed more weight on this product type in evaluating the bank's performance in the New York AA. The evaluation also reviewed community development activities performed since the previous CRA evaluation dated May 10, 2021.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW YORK

LENDING TEST

The bank is rated "Outstanding" under the Lending Test. The bank's excellent performance in the Geographic Distribution criterion primarily supports this conclusion. As stated previously under the overall *Scope of Evaluation* section, examiners placed less emphasis on the Borrower Profile criterion, as there was limited borrower income information available based upon the nature of the bank's loan product lines.

Geographic Distribution

The geographic distribution of loans reflects an excellent dispersion within the AA. The bank's excellent dispersion of its primary loan product line, construction loans, primarily supports this conclusion. Examiners focused on the number of loans in low- and moderate-income geographies to perform this analysis.

Construction Loans

The geographic distribution of construction loans throughout the AA is excellent. Examiners focused on the comparison of the bank's construction lending to the demographics in the AA. The table below shows the geographic distribution of construction loans by tract income level.

Geographic Distribution of Construction Loans New York Assessment Area					
Tract Income Level	**% of Owner-Occupied Housing Units**	**#**	**%**	**$(000s)**	**%**
Low					
2021	3.8	69	30.7	132,658	27.3
2022	4.0	73	38.8	211,971	51.9
2023	4.0	49	40.8	149,892	46.5
Moderate					
2021	14.7	93	41.3	164,114	33.8
2022	14.5	48	25.5	79,324	19.4
2023	14.5	32	26.7	73,709	22.9
Middle					
2021	25.4	31	13.8	90,583	18.7
2022	27.6	30	16.0	53,234	13.0
2023	27.6	17	14.2	34,152	10.6
Upper					
2021	55.9	32	14.2	97,952	20.2
2022	53.0	36	19.1	56,054	13.7
2023	53.0	22	18.3	64,823	20.1
Not Available					
2021	0.2	0	0.0	0	0.0
2022	0.8	1	0.5	8,101	2.0
2023	0.8	0	0.0	0	0.0
Totals					
2021	**100.0**	**225**	**100.0**	**485,307**	**100.0**
2022	**100.0**	**188**	**100.0**	**408,683**	**100.0**
2023	**100.0**	**120**	**100.0**	**322,576**	**100.0**
Source: 2015 ACS; 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.					

As shown in the table, NECB's performance in the low- and moderate-income geographies significantly exceeded the demographics for all three years in the evaluation period. NECB's performance in the low-income geographies followed an increasing trend throughout the evaluation period. While NECB's performance in the moderate-income geographies declined after 2021, it remained well above the demographic comparisons. Overall, the bank's performance is excellent.

Small Business Loans

The bank's geographic distribution of small business loans is reasonable. Examiners focused on the comparison of the bank's small business lending to the percentage of businesses. The table below shows the geographic distribution of small business loans by tract income level.

Geographic Distribution of Small Business Loans New York Assessment Area					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2021	10.4	5	29.4	2,861	38.4
2022	10.3	8	33.3	4,300	46.7
2023	10.5	2	9.5	1,200	14.7
Moderate					
2021	18.9	3	17.6	614	8.2
2022	17.5	3	12.5	630	6.8
2023	17.7	3	14.3	664	8.1
Middle					
2021	16.5	1	5.9	1,000	13.4
2022	17.7	1	4.2	500	5.4
2023	17.8	5	23.8	2,450	30.0
Upper					
2021	51.8	8	47.1	2,969	39.9
2022	49.6	12	50.0	3,770	41.0
2023	49.2	11	52.4	3,853	47.2
Not Available					
2021	2.4	0	0.0	0	0.0
2022	4.8	0	0.0	0	0.0
2023	4.8	0	0.0	0	0.0
Totals					
2021	**100.0**	**17**	**100.0**	**7,444**	**100.0**
2022	**100.0**	**24**	**100.0**	**9,200**	**100.0**
2023	**100.0**	**21**	**100.0**	**8,167**	**100.0**
Source: 2021, 2022 & 2023 D&B Data; Bank Data. *Due to rounding, totals may not equal 100.0%.*					

As shown in the table, NECB's small business lending in the low-income tracts significantly exceeded demographics in 2021 and 2022 before dropping below comparisons in 2023. NECB's small business lending in the moderate-income tracts remained slightly below demographics for all three years. The bank's overall small business lending performance within the low- and moderate-income geographies is reasonable.

Home Mortgage Loans

The geographic distribution of home mortgage loans is reasonable. Examiners compared the bank's home mortgage performance to demographic information. Given the lower volume of home mortgage loans in this AA compared to the other product lines, examiners placed less emphasis on this product line.

Geographic Distribution of Home Mortgage Loans New York Assessment Area					
Tract Income Level	**% of Owner-Occupied Housing Units**	**#**	**%**	**$(000s)**	**%**
Low					
2021	3.8	0	0.0	0	0.0
2022	4.0	1	7.7	635	4.0
2023	4.0	2	25.0	1,390	11.1
Moderate					
2021	14.7	2	20.0	3,580	41.9
2022	14.5	2	15.4	3,500	22.1
2023	14.5	1	12.5	1,500	12.0
Middle					
2021	25.4	1	10.0	500	5.8
2022	27.6	2	15.4	630	4.0
2023	27.6	1	12.5	160	1.3
Upper					
2021	55.9	7	70.0	4,469	52.3
2022	53.0	8	61.5	11,089	69.9
2023	53.0	4	50.0	9,475	75.6
Not Available					
2021	0.2	0	0.0	0	0.0
2022	0.8	0	0.0	0	0.0
2023	0.8	0	0.0	0	0.0
Totals					
2021	**100.0**	**10**	**100.0**	**8,549**	**100.0**
2022	**100.0**	**13**	**100.0**	**15,854**	**100.0**
2023	**100.0**	**8**	**100.0**	**12,525**	**100.0**
Source: 2015 ACS; 2020 U.S. Census; Bank Data. *Due to rounding, totals may not equal 100.0%.*					

Although NECB did not make any home mortgage loans in the low-income tracts in 2021, the bank's home mortgage lending showed an increasing trend in those areas in 2022 and 2023. In fact, NECB's percentage of home mortgage loans in the low-income tracts exceeded demographic data in 2022 and 2023, although the percentages were based on a relatively low volume of loans. NECB's percentage of home mortgage loans in the moderate-income tracts was well above the demographic measure during 2021, but trended down in subsequent years, falling below the comparative measure in 2023.

Borrower Profile

The distribution of borrowers reflects a reasonable penetration among businesses of different sizes in the AA. Examiners based this conclusion on the bank's small business lending performance only, as borrower income data was unavailable for the bank's construction and home mortgage loans. As stated previously, revenue data was not available for the construction loans, as the bank extended the loans mostly to new limited liability companies or other entities that usually have neither income nor GAR data from the prior year. NECB did not collect the borrower income information for home mortgage loans since the Home Mortgage Disclosure Act (HMDA) regulation does not require the bank to report this data for loans made to corporate entities. NECB does not offer home mortgage loans to consumer mortgage borrowers, as its business model focuses on lending to real estate investors who typically establish corporate entities to hold their investment properties. Additionally, since the only information available is for small business lending, which is not a primary product for NECB, examiners placed less weight on the bank's Borrower Profile performance to determine an overall rating.

Small Business Loans

The distribution of small business loans reflects a reasonable penetration of loans to businesses with GARS of $1 million or less. The following table shows a comparison of the bank's lending to the business demographics reported by D&B.

Distribution of Small Business Loans by Gross Annual Revenue Category
New York Assessment Area

Gross Revenue Level	% of Businesses	#	%	$(000s)	%
<=$1,000,000					
2021	90.6	6	35.3	1,900	25.5
2022	91.0	7	29.2	1,980	21.5
2023	93.0	8	38.1	2,555	31.3
>$1,000,000					
2021	3.8	9	52.9	4,144	55.7
2022	3.5	15	62.5	6,220	67.6
2023	2.8	9	42.9	3,112	38.1
Revenue Not Available					
2021	5.6	2	11.8	1,400	18.8
2022	5.5	2	8.3	1,000	10.9
2023	4.3	4	19.0	2,500	30.6
Totals					
2021	**100.0**	**17**	**100.0**	**7,444**	**100.0**
2022	**100.0**	**24**	**100.0**	**9,200**	**100.0**
2023	**100.0**	**21**	**100.0**	**8,167**	**100.0**

Source: 2021, 2022, & 2023 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%

NECB's small business lending performance in the NY AA remained below demographic data for 2021, 2022, and 2023. As NECB does not report small business loans, examiners did not directly compare NECB's performance to aggregate small business loan data. However, the aggregate small business lending data indicates that small business loan demand among businesses with GARs of $1 million or less is not as high as the business demographics suggest. For example, the aggregate data in 2021 shows that businesses with GARs of $1 million or less accounted for 35.8 percent of all reported small business loans, which is much lower than the percentage of businesses of that revenue. Based upon this general demand level, the strong competition in the area, and NECB's financial capacity and resources, its small business lending performance among businesses with GARs of $1 million or less is reasonable during 2021, 2022, and 2023.

COMMUNITY DEVELOPMENT TEST

NECB is rated "Outstanding" under the Community Development Test. The bank demonstrated excellent responsiveness to the community development needs of its New York AA primarily through community development loans and qualified investments. Examiners considered the bank's capacity and the need and availability of community development opportunities.

Community Development Loans

During the evaluation period, NECB originated 230 community development loans totaling $802.2 million in the New York AA. The loans primarily supported affordable housing to low- and moderate-income people, a primary community development need in the assessment area. The table below illustrates the bank's community development lending in its New York AA by year and community development purpose.

Community Development Lending
New York Assessment Area

Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)	#	$ (000s)
2021 (Partial)	38	94,769	0	0	0	0	0	0	**38**	**94,769**
2022	111	351,686	0	0	0	0	0	0	**111**	**351,686**
2023	66	252,652	0	0	1	2,500	3	26,180	**70**	**281,332**
2024 year to date	11	74,419	0	0	0	0	0	0	**11**	**74,419**
Total	**226**	**773,526**	**0**	**0**	**1**	**2,500**	**3**	**26,180**	**230**	**802,206**

Source: Bank Data

Listed below are notable examples of the bank's community development loans.

- In 2022, the bank made a $2.7 million land loan and a $25.3 million construction loan for the construction of a 12-story building containing 111 residential units and a commercial space in a moderate-income census tract in the Bronx, New York. All residential units in the building will have affordable rents below the fair market rents in the area.

- In 2023, the bank made a $2 million loan to support the development of a seven-story supportive housing building with 63 units. The building will contain a combination of affordable housing and support services designed to help individuals and families use housing as a platform for health and recovery following a period of homelessness, hospitalization or incarceration, or for youth aging out of foster care.

- In 2023, the bank made a $1.4 million land loan and $15.5 million construction loan for the development of a three-story medical office building in Rockland County, New York. The building will provide space for multi-specialty medical practice groups. The building is located near multiple low-income census tracts. These medical service providers will provide needed medical services to persons in these low-income areas.

- In 2023, the bank made a $2.5 million loan for the construction of a supermarket in Orange County, New York. The supermarket will create multiple low- and moderate-income jobs. Additionally, the supermarket is located near multiple low-income census tracts, and will serve these low-income areas.

Qualified Investments

The bank made 26 qualified investments and donations totaling $17.7 million within the New York AA during the evaluation period. The investments primarily supported efforts to revitalize or stabilize low- and moderate-income tracts within the assessment area.

The following table summarizes the bank's qualified investments and donations by year and community development purpose.

Qualified Investments New York Assessment Area										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	7	7,926	0	0	0	0	2	265	**9**	**8,191**
2021	0	0	0	0	0	0	3	8,674	**3**	**8,674**
2022	0	0	0	0	0	0	1	53	**1**	**53**
2023	0	0	0	0	0	0	2	805	**2**	**805**
Subtotal	**7**	**7,926**	**0**	**0**	**0**	**0**	**8**	**9,797**	**15**	**17,723**
Qualified Grants & Donations	0	0	11	24	0	0	0	0	**11**	**24**
Total	**7**	**7,926**	**11**	**24**	**0**	**0**	**8**	**9,797**	**26**	**17,747**
Source: Bank Data										

The following are examples of the bank's qualified investments:

- During the evaluation period, the bank purchased six municipal bonds totaling approximately $9.9 million from the Town of Palm Tree, which includes the village of Kiryas Joel. The area is home to the Satmar Hasidic Jewish sect, which typically has large families, contributing to the rapid growth of this area. The Town of Palm Tree will use the bond proceeds to finance various infrastructure projects and obtain equipment to serve the community, which is primarily low income. The purchase of these bonds will help to revitalize and stabilize this low-income area and serve its residents.

- NECB made 11 donations totaling $23,500 to community service organizations that provide services to low- and moderate-income communities within the AA.

Community Development Services

The bank performed two community development services within the New York assessment area during the evaluation period. Bank management explained that NECB employees refrained from participating in in-person community development service during part of the evaluation period due to safety concerns related to the COVID-19 pandemic. Listed below are the bank's community services in this assessment area:

- Employees presented the FDIC's Money Smart program to a class in an intermediate-elementary school located in a low-income area in Bronx County. This training session provided basic financial literacy skills to students and faculty members in the school.

- A bank officer served on the Board of Directors of 'Meals on Wheels' for Rockland County, New York. The organization, which is comprised of 5,000 community-based programs across the country, is dedicated to helping senior citizens, particularly those who are low-income and require assistance, with obtaining food, improved quality-of-life programs, and other services.

NECB operates three full-services branch offices, including ATMs, in low- and moderate-income census tracts, which enhances customer access to bank services in those areas. These offices include the Kiryas Joel branch, which serves a substantially low-income area.

MASSACHUSETTS – Full-Scope Review

CRA RATING FOR MASSACHUSETTS:

The Lending Test is rated: <u>Satisfactory</u>
The Community Development Test is rated: <u>Satisfactory</u>

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MASSACHUSETTS

The Massachusetts AA comprises a portion of the Boston-Worcester-Providence, MA-RI-NH combined statistical area, and includes all of Essex, Middlesex, Norfolk, Suffolk, and Worcester Counties. NECB operates three branch offices and three ATMs in this AA. In terms of geographic distribution, one branch is in a moderate-income tract and two branches are in middle-income tracts. The bank also operates one LPO in Essex County.

The reclassification of census tract income designations based on 2020 Census Data affected the income classifications of the census tracts for two of the bank's branches. Specifically, the income designation for the census tract where the Danvers branch is located changed from middle income to moderate income. Additionally, the income designation for the census tract where the Framingham branch is located changed from moderate income to middle income.

Massachusetts accounted for 28.6 percent of the bank's total branches, 11.8 percent of its total deposits, and 10.0 percent of its total loans. The bank increased loans in Massachusetts by 239 percent since the previous examination. The Massachusetts LTD ratio was 97.6 percent as of March 31, 2024. However, given the small percentage of branches, deposits, and loans in the Massachusetts AA, examiners placed less weight on the bank's performance within this AA in assigning the overall performance rating.

<u>Economic and Demographic Data</u>

The AA is composed of 1,111 census tracts, including 125 low-, 202 moderate-, 385 middle-, and 355 upper-income census tracts, as well as 44 census tracts with no-income designation (NA tracts).

The AA changed since the previous evaluation due to the addition of Worcester County to the AA and the nationally revised metropolitan area delineations published by the OMB, effective February 2023. The OMB published revised demographic data based on the 2020 U.S. Census. The addition of Worcester County to the AA and the census tract changes in the 2020 census data resulted in an increase of 296 total census tracts, in addition to some changes to existing geographic income classifications. The AA has an increase of 18 low-, 40 moderate-, 97 middle-, 112 upper-, and 29 NA-income tracts.

The following table provides select demographic characteristics for this AA.

Demographic Information Massachusetts Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	1,111	11.3	18.2	34.7	32.0	4.0
Population by Geography	4,827,859	10.5	18.5	35.8	34.0	1.2
Housing Units by Geography	1,913,178	10.0	18.7	36.8	33.4	1.1
Owner-Occupied Units by Geography	1,074,302	3.7	14.2	40.4	41.2	0.5
Occupied Rental Units by Geography	729,828	19.0	25.2	31.8	22.2	1.8
Vacant Units by Geography	109,048	12.8	19.4	34.6	31.7	1.6
Businesses by Geography	528,198	7.4	15.1	34.1	41.9	1.5
Farms by Geography	2,647	2.6	8.9	37.5	50.3	0.7
Family Distribution by Income Level	1,128,203	23.1	16.2	19.6	41.1	0.0
Household Distribution by Income Level	1,804,130	26.7	14.4	16.6	42.3	0.0
Median Family Income MSA - 14454 Boston, MA		$112,607	Median Housing Value			$546,583
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		$121,481	Median Gross Rent			$1,628
Median Family Income MSA – 49340 Worcester, MA-CT MSA		$96,860	Families Below Poverty Level			6.4%
Source: 2020 Census And 2022 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of the bank's small business loans by the gross annual revenue (GAR) of the business for each year. Listed below is the distribution of businesses by GAR in the Massachusetts AA according to 2023 D&B data:

- 89.3 percent have GARs of $1 million or less;
- 3.9 percent have GARs more than $1 million; and
- 6.8 percent have unknown revenues.

According to Moody's Analytics, the Cambridge-Newton-Framingham, MA MD and the Worcester, MA MSA portions of the bank's Massachusetts AA are performing strongly for the Northeast Region. However, the Boston, MA MD portion of the assessment area is not performing as well as expected, despite being considered the business capital of the region. The area's economic strength stems from a highly skilled workforce, entrepreneurial support, dynamic tech and biomedical research industries, and labor market stability brought about from the education and healthcare industries. However, the area struggles from high business and living costs, and a reliance on the finance and tech industries, which are susceptible to fluctuations in macroeconomic conditions. The top employers throughout the Massachusetts AA are universities, hospitals, and manufacturing businesses, including, but not limited to, the University of Massachusetts, Harvard University, Mass General Brigham, and Beth Israel Lahey Health.

Competition

NECB is not required to collect or report its small business data, and it has not elected to do so. Therefore, examiners did not compare the bank's small business lending to aggregate reported data. Nonetheless, the 2022 aggregate small business lending data shows that 196 institutions originated 110,436 loans in the AA, which indicates strong competition for this product. The top ten lenders accounted for 80.0 percent of total loans. Most all of the top lenders are large national credit card banks or very large multi-billion dollar regional banks that serve the greater northeast of the country.

The bank was also not required to collect or report its home mortgage data in 2021 and 2022, the most recent years of aggregate data available. Therefore, examiners did not compare the bank's home mortgage lending to aggregate HMDA data. Nonetheless, the 2022 aggregate home mortgage lending data shows that 636 institutions originated 154,259 loans in the AA, which indicates strong competition for this product. The top ten lenders accounted for 34.6 percent of total loans. All of the top lenders are large multi-billion dollar regional and national banks that serve the greater northeast of the country.

Since construction loan data is not traditionally collected, reported, or analyzed for CRA evaluation purposes, there is no aggregate market data available to estimate the competition or demand for this lending.

The AA is also a competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2023, 103 financial institutions operated 1,340 offices within the bank's AA. Of these institutions, NECB ranked 80th with a 0.3 percent deposit market share. The five most prominent institutions with the highest deposit market shares accounted for 74.0 percent of total market share. These entities are large, multi-billion dollar depository institutions that serve a much larger multi-state or national area in addition to this AA.

Credit and Community Development Needs and Opportunities

Based on information from bank management and the demographic and economic data, there are ongoing credit needs in the AA for affordable housing and small business financing.

SCOPE OF EVALUATION - MASSACHUSETTS

Examiners performed a full-scope review to evaluate and rate the bank's performance in the Massachusetts AA. The evaluation of the bank's Lending Test performance in this AA considered construction, small business, and home mortgage loans originated during 2021, 2022, and 2023. Based on the loan volume in the respective product categories within this area, examiners placed greater emphasis on NECB's home mortgage lending performance than on the small business and construction lending performance. While the bank's lending focus in Massachusetts remains on the construction of residential properties, much of the bank's construction lending in this AA involved the rehabilitation of multifamily properties versus new construction due to local demand. Since these construction loans are generally HMDA-reportable as home improvement financing, examiners analyzed and presented these loans in the Home Mortgage Loans category instead of the Construction Loans category. The evaluation also reviewed community development activities performed since the previous CRA evaluation dated May 10, 2021.

During the evaluation period, the bank also purchased 13 loan participations totaling $6 million to help meet the credit needs of the Massachusetts AA. The participations represented portions of loans for the purchase, improvement, and refinance of residential properties. Since NECB was not the primary lender on these loans, the loans were not reportable under HMDA as a home mortgage loan. Examiners nonetheless analyzed the loans and presented the information in the appropriate sections of the Lending Test.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MASSACHUSETTS

LENDING TEST

The bank is rated "Satisfactory" under the Lending Test. The bank's reasonable performance under the Geographic Distribution criterion primarily supports this conclusion. Although the bank's Borrower Profile performance was poor, examiners placed less emphasis on performance under that criterion, as there was limited borrower income information available based upon the nature of the bank's loan product lines.

Geographic Distribution

The geographic distribution of loans reflects a reasonable dispersion within the AA. Examiners focused on the number of loans in low- and moderate-income geographies to perform this analysis.

Home Mortgage Loans

The geographic distribution of the bank's home mortgage loans reflects excellent dispersion in the Massachusetts AA. Examiners focused on the comparison of the bank's home mortgage lending to the demographic performance in the AA. The table below shows the geographic distribution of home mortgage loans by tract income level.

Geographic Distribution of Home Mortgage Loans Massachusetts Assessment Area					
Tract Income Level	**% of Owner-Occupied Housing Units**	**#**	**%**	**$(000s)**	**%**
Low					
2021	3.8	2	33.3	1,350	9.5
2022	3.7	7	53.8	18,943	31.7
2023	3.7	3	18.8	11,650	21.7
Moderate					
2021	14.4	3	50.0	4,221	29.8
2022	14.2	2	15.4	12,968	21.7
2023	14.2	6	37.5	15,674	29.2
Middle					
2021	42.5	1	16.7	8,575	60.6
2022	40.4	4	30.8	27,915	46.7
2023	40.4	5	31.3	18,665	34.8
Upper					
2021	39.2	0	0.0	0	0.0
2022	41.2	0	0.0	0	0.0
2023	41.2	2	12.5	7,706	14.4
Not Available					
2021	0.1	0	0.0	0	0.0
2022	0.5	0	0.0	0	0.0
2023	0.5	0	0.0	0	0.0
Totals					
2021	**100.0**	**6**	**100.0**	**14,146**	**100.0**
2022	**100.0**	**13**	**100.0**	**59,826**	**100.0**
2023	**100.0**	**16**	**100.0**	**53,695**	**100.0**
Source: 2020 U.S. Census; Bank Data. *Due to rounding, totals may not equal 100.0%*					

As shown in the table, NECB's percentage of lending in the low- and moderate-income census tracts was well above the demographic measure for 2021, 2022, and 2023. Additionally, the bank increased lending in the Massachusetts AA throughout the evaluation period, and is continuing to form new lending relationships in this AA. The bank significantly increased the number of loans made in the Massachusetts AA since the previous examination, when it only made three home mortgage loans over a four-year period. The geographic distribution of home mortgage loans reflects excellent dispersion in the AA during the review period.

As noted previously, the bank also purchased 13 loan participations during 2021 to help meet the credit needs of the assessment area. These participations represented portions of loans for the purchase, improvement, and refinance of residential properties. Of these participation loans, four loans, or 30.8 percent, related to properties in low-income census tracts, while two loans, or 15.4 percent, involved properties in moderate-income census tracts. These loan participations further enhanced the bank's performance in the low- and moderate-income census tracts.

Small Business Loans

The geographic distribution of small business loans is reasonable throughout the Massachusetts AA. Examiners focused on the comparison of the bank's small business lending to the percentage of businesses. The following table shows the geographic distribution of small business loans by tract income level.

Geographic Distribution of Small Business Loans Massachusetts Assessment Area					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2021	7.9	0	0.0	0	0.0
2022	7.0	1	20.0	155	13.4
2023	7.4	0	0.0	0	0.0
Moderate					
2021	15.4	0	0.0	0	0.0
2022	15.2	1	20.0	50	4.3
2023	15.1	1	50.0	50	5.7
Middle					
2021	35.1	3	100.0	230	100.0
2022	33.0	3	60.0	950	82.3
2023	34.1	1	50.0	825	94.3
Upper					
2021	41.2	0	0.0	0	0.0
2022	43.2	0	0.0	0	0.0
2023	41.9	0	0.0	0	0.0
Not Available					
2021	0.4	0	0.0	0	0.0
2022	1.6	0	0.0	0	0.0
2023	1.5	0	0.0	0	0.0
Totals					
2021	**100.0**	**3**	**100.0**	**230**	**100.0**
2022	**100.0**	**5**	**100.0**	**1,155**	**100.0**
2023	**100.0**	**2**	**100.0**	**875**	**100.0**
Source: 2021, 2022, & 2023 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%					

As shown in the table, NECB originated no small business loans in the low-income census tracts in 2021 and 2023. The bank had just one loan in the low-income tracts in 2022; however, the lending as a percentage of total loans exceeded the demographic measure given the small number of total loan originations. NECB's performance in the moderate-income tracts was slightly better. While the bank originated no small business loans in the moderate-income tracts during 2021, it made one loan each in 2022 and 2023 in those tracts. Similar to the low-income areas, although the lending in the moderate-income tracts was minimal, the lending by percentage of total loans compared well to the demographic measure due to the small number of total loans. Given the low volume of small business loans, examiners had difficulty developing a meaningful conclusion regarding the lending and consequently placed less emphasis on this product line.

Construction Loans

The geographic distribution of construction loans is poor throughout the Massachusetts AA. During the evaluation period, the bank made only one construction loan in the Massachusetts AA, which was not in a low- or moderate-income tract. As noted previously, many of the bank's construction loans in Massachusetts represented home improvement financing and were analyzed and presented in the Home Mortgage Loans section. Given the low volume of construction loans, examiners had difficulty developing a meaningful conclusion regarding the lending and consequently placed less emphasis on this product line.

Borrower Profile

The distribution of borrowers reflects poor penetration among businesses of different sizes in the AA. Examiners based this conclusion on the bank's small business lending performance only, as borrower income data was unavailable for its construction and home mortgage loans. Since small business lending is not a primary product for NECB, examiners placed less weight on the bank's performance under this criterion in determining the overall rating.

Small Business Loans

The distribution of borrowers reflects a poor penetration among business customers of different sizes. The following table displays the distribution of small business loans by gross revenue level.

Distribution of Small Business Loans by Gross Annual Revenue Category Massachusetts Assessment Area					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000					
2021	87.1	1	33.3	30	13.0
2022	88.2	1	20.0	155	13.4
2023	89.3	1	50.0	825	94.3
>$1,000,000					
2021	4.9	2	66.7	200	87.0
2022	4.3	4	80.0	1,000	86.6
2023	3.9	1	50.0	50	5.7
Revenue Not Available					
2021	8.0	0	0.0	0	0.0
2022	7.4	0	0.0	0	0.0
2023	6.8	0	0.0	0	0.0
Totals					
2021	**100.0**	**3**	**100.0**	**230**	**100.0**
2022	**100.0**	**5**	**100.0**	**1,155**	**100.0**
2023	**100.0**	**2**	**100.0**	**875**	**100.0**
Source: 2021, 2022, & 2023 D&B Data; Bank Data. *Due to rounding, totals may not equal 100.0%.*					

As shown in the table, the bank extended just one small business loan to a business with gross annual revenues of $1 million or less in each of the three years analyzed. For each year reviewed, the percentage of loans to businesses with gross annual revenues of $1 million or less was well below the percentage of businesses in that revenue category.

Home Mortgage Loans

As noted previously, borrower income data was generally unavailable for the bank's home mortgage loans. However, income data was available for some of the bank's loan participations. Of the 13 purchased loan participations, 9 were for loans extended to individual borrowers with collected income data. Of these 9 loans, 11.1 percent were to low-income borrowers, which was lower than the percentage of low-income families (23.7 percent), and 22.2 percent were to moderate-income borrowers, which exceeded the percentage of moderate-income families (16.7 percent). The bank's purchased participations represent an effort to address home mortgage credit needs of borrowers of different incomes.

COMMUNITY DEVELOPMENT TEST

NECB is rated "Satisfactory" for the Community Development Test in the Massachusetts AA. While the bank did not provide any community development services during the evaluation period, NECB demonstrated adequate responsiveness to the community development needs through community development loans and qualified investments. Examiners considered the bank's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

During the evaluation period, NECB originated four community development loans totaling $10.7 million. While this represents a slight decrease in the number of community development loans the bank made in Massachusetts compared to the previous evaluation, the dollar amount of community loans increased by 187.1 percent. The loans supported affordable housing to low- and moderate-income people, a primary community development need in the assessment area.

The table below illustrates the bank's community development lending in its Massachusetts AA by year and community development purpose.

Community Development Lending Massachusetts Assessment Area										
Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Total**	
	#	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**	**#**	**$ (000s)**
2021 (Partial)	1	2,883	0	0	0	0	0	0	**1**	**2,883**
2022	0	0	0	0	0	0	0	0	**0**	**0**
2023	3	7,819	0	0	0	0	0	0	**3**	**7,819**
2024 year to date	0	0	0	0	0	0	0	0	**0**	**0**
Total	**4**	**10,702**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**10,702**
Source: Bank Data										

The following are examples of the bank's community development loans in this AA.

- In 2021, the bank made a $2.9 million loan in Essex County, Massachusetts for the construction of a 24-unit apartment building. The building is in a low-income census tract with affordable rents for the area.

- In 2023, the bank made a $242,387 loan to fund the renovation of a five-unit apartment building in Suffolk County, Massachusetts. The renovation also added a sixth unit to the apartment building. The building is located in a low-income census tract and will have affordable rents for the area.

Qualified Investments

The bank made 10 qualified investments and donations totaling $12.4 million within the Massachusetts AA during the evaluation period. The investments primarily supported affordable housing efforts within the assessment area.

The following table summarizes the bank's qualified investments and donations by both year and community development purpose.

Qualified Investments Massachusetts Assessment Area										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	7	2,406	0	0	0	0	0	0	**7**	**2,406**
2021	2	10,000	0	0	0	0	0	0	**2**	**10,000**
2022	0	0	0	0	0	0	0	0	**0**	**0**
2023	0	0	0	0	0	0	0	0	**0**	**0**
Subtotal	**9**	**12,406**	**0**	**0**	**0**	**0**	**0**	**0**	**9**	**12,406**
Qualified Grants & Donations			1	1					**1**	**1**
Total	**9**	**12,406**	**1**	**1**	**0**	**0**	**0**	**0**	**10**	**12,407**
Source: Bank Data										

The following describes the bank's qualified investments:

- In 2021, the bank invested $12.4 million in a community development fund supporting affordable housing. The bank's investment activity began in 2017 with $2.4 million in funding allocated to the AA. In 2021, NECB invested an additional $10 million. The investment consists of mortgage-backed securities secured by loans to low- and moderate-income borrowers within the assessment area.

- The bank made one donation totaling $1,000 to a community service organization that provides educational and outreach services to low- and moderate-income individuals within the AA.

Community Development Services

The bank had no community development services within the assessment area during the evaluation period. Bank management explained that NECB employees refrained from participating in in-person community development services during part of the evaluation period due to safety concerns related to the COVID-19 pandemic.

NECB's Danvers office and ATM are located within a moderate-income census tract. This office enhances access to bank services for persons and businesses in that moderate-income area.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	**Lending Test**	**Community Development Test**	**Rating**
MASSACHUSETTS	Satisfactory	Satisfactory	Satisfactory
NEW YORK	Outstanding	Outstanding	Outstanding

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

1. Support affordable housing for low- and moderate-income individuals;
2. Target community services toward low- and moderate-income individuals;
3. Promote economic development by financing small businesses or farms; or
4. Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:
(1) Has as its primary purpose community development; and
(2) Except in the case of a wholesale or limited purpose bank:
(i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
(ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:
(1) Has as its primary purpose community development;
(2) Is related to the provision of financial services; and
(3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

(1) An unemployment rate of at least 1.5 times the national average;
(2) A poverty rate of 20 percent or more; or
(3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending is available online for review. The data shows geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials.

This data is available online at the Consumer Financial Protection Bureau's website (www.consumerfinance.gov/hmda). HMDA data for many other financial institutions are also available at this website. Information specific to NorthEast Community Bank is also available in the bank's public file at any office.

To receive a copy of this data, send a written request to:

NorthEast Community Bank

325 Hamilton Avenue

White Plains, NY 10601

(914) 684-2500

HMDA INSTITUTION REGISTER SUMMARY (IRS)

Institution Name: NorthEast Community Bank

Legal Entity Identifier: 984500I870D8FFWCE112

Loan Purpose and Type By MSA

				Loan Type					Occupancy Type				Loan Purpose						
MSA	MSA/MD Name	Total LARs	Total Amount	Convent.	FHA	VA	FSA/ RHS	Unknown	Principal Residence	Second Residence	Investment property	Unknown	Home Purchase	Home Improv.	Refin.	Cash-out refin.	Other	Not Applicable	Unknown
12700	Barnstable Town, MA MSA	1	5500	1	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0
14454	Boston, MA	2	4275	2	0	0	0	0	0	0	2	0	0	0	2	0	0	0	0
15764	Cambridge-Newton-Framingham, MA	9	14731	9	0	0	0	0	0	0	9	0	2	0	2	5	0	0	0
28880	Kiryas Joel-Poughkeepsie-Newburgh, NY MSA	1	10000	1	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0
35614	New York-Jersey City-White Plains, NY-NJ	25	94860.541	25	0	0	0	0	0	0	25	0	0	1	14	10	0	0	0
49340	Worcester, MA MSA	2	13546.25	2	0	0	0	0	0	0	2	0	1	0	0	1	0	0	0
Total	6	40	142912.791	40	0	0	0	0	0	0	40	0	3	1	19	17	0	0	0

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COMMUNITY REINVESTMENT ACT NOTICE

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each calendar quarter, the FDIC publishes a list of the banks that are scheduled for CRA examination by the FDIC for the next two quarters. This list is available through the FDIC's website at FDIC.gov.

You may send written comments about our performance in helping to meet community credit needs to CRA Officer, NorthEast Community Bank, 325 Hamilton Avenue, White Plains, NY 10601, to the FDIC Regional Director, 350 Fifth Avenue, Suite 1200, New York, NY 10118. You may also submit comments electronically to the FDIC through the FDIC's website at FDIC.gov/regulations/cra. Your written comments, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of NorthEast Community Bancorp, a bank holding company. You may request from the CRA Officer, Federal Reserve Bank of NY, 33 Liberty Street, New York, NY 10045, an announcement of applications covered by the CRA filed by bank holding companies.