



## **PUBLIC DISCLOSURE**

July 24, 2017

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Generations Bank

Charter Number 718024

19 Cayuga Street  
Seneca Falls, NY 13148

Office of the Comptroller of the Currency

5000 Brittonfield Parkway  
Suite 102B  
East Syracuse, NY 13057

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

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## Overall CRA Rating

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

**The Lending Test is rated: Satisfactory.**

The primary factors supporting the CRA rating are as follows:

- The bank had a more than reasonable loan-to-deposit ratio during the evaluation period.
- A majority of the home mortgage loans originated during the evaluation period were within the bank's assessment areas (AA).
- The bank had a reasonable penetration of home mortgage loans to borrowers of different income levels within the AAs.
- The bank had a poor dispersion of home mortgage loans among census tracts of different income designations within the AAs.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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.

**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, which 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).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, 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.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least

2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

Generations Bank (Gen Bank) is a \$273.4 million community bank headquartered in Seneca Falls, New York (NY). The bank and its wholly owned subsidiary insurance company, Generations Agency, Inc., is 100 percent owned by Seneca-Cayuga Bancorp, Inc. (SCBI), a federally chartered stock holding company and a subsidiary of The Seneca Falls Savings Bank, Mutual Holding Company (SMHC), a federally chartered mutual holding company that owns 56.7 percent of the SCBI stock. Remaining stock is held by the public or has been repurchased by SMHC.

Gen Bank has nine branch offices and a separate headquarters location. Three branches are located in Ontario County and six are in Cayuga and Seneca Counties. Since the last evaluation, the bank opened a branch in Farmington, NY (October 2014), and closed a branch in the Auburn Walmart (April 2015). Each branch has at least one 24-hour automated teller machine (ATM) and there is a free standing ATM located in the Seneca County Office Building. At the Seneca Falls and Farmington branches, the bank offers customers interactive teller machines (ITM), as well as, ATM access. ITMs allow the customer to conduct banking transactions, as well as, speak or video conference with a centrally located teller. Branch hours are generally from 9:00 AM to 5:00 PM, except on Fridays where all but one branch is open until 6:00 PM. Branches with 9:00 AM to 12:00 PM hours on Saturday include Geneva and Farmington (drive-thru only), and one branch each in Waterloo, Auburn, and Seneca Falls. For customers who like the option of electronic banking, the bank offers online and mobile banking.

As of December 31, 2016, Gen Bank's balance sheet included \$207.7 million in total loans consisting of 54.7 percent secured with residential real estate mortgages, 24.6 percent commercial loans, 17.6 percent consumer loans, and 3.1 percent agricultural loans. Deposits are sourced substantially from the bank's market area.

Based on our review of loan originations from January 1, 2014, to December 31, 2016, and the bank's lending strategy, home mortgage loans (Home Mortgage Disclosure Act (HMDA) reportable loans) are the bank's primary product. Management reports very limited home improvement lending and does not specifically offer a HMDA reportable home improvement loan.

The bank uses business development officers and branch staff to both directly source and generate mortgage referrals and develop working relationships with realtors and communities of influence (COI). Management has entered into or established programs to promote home loan funding for both low- and moderate-income (LMI) borrowers and to fund home loans in the AA's limited number of LMI census tracts (CT). These programs include: United States Department of Agriculture (USDA) loans and the Federal Home Loan Bank's (FHLB) First Home Club grant program. The bank began offering the MyGenMortgage product in 2015; this little- to no-down-payment product is attractive to lower-income buyers. Gen Bank also continues to service Seneca County Habitat for Humanity loans. In the past, the bank had offered Federal Housing Administration (FHA) loans, but found the costs to be too cumbersome. Currently, the bank refers FHA borrowers to Paragon Home Loans, Inc. The bank continues to purchase mobile home loans from another lender.



The bank offers other noncomplex retail loans, as well as, business loan products for consumer and commercial borrowers. In late 2015, management began working with LendKey and added two student loan products. Management also continues to offer affordable automobile loans targeted to LMI borrowers.

Deposit accounts offered by the bank include various savings accounts (including school and healthcare savings accounts) and checking accounts. The bank also offers retail non-deposit investment products and services.

Gen Bank has no legal, financial or other impediments hindering its ability to help meet the credit needs in its AAs. Gen Bank demonstrated Satisfactory performance at its last CRA evaluation dated April 2, 2013.

## Description of Assessment Areas

### Non MSA AA

The Non MSA AA consists of all 30 CTs in Cayuga and Seneca Counties. The AA is reasonable and does not arbitrarily exclude the single low-income CT in the AA. There is one low-income CT (CT 421 in the Southwest section of the City of Auburn and includes a NY State prison), 23 middle-income CTs, five upper-income CTs and one CT with no assigned income level, which is along the Cayuga County shoreline of Lake Ontario. The AA does not include any moderate-income CTs. Gen Bank has six branches in the AA. The AA has 115,277 persons and includes 52,279 total housing units, of which 33,169, or 63.45 percent, are owner-occupied. The remaining units are rental units (11,987, or 22.93 percent) or vacant units (7,123, or 13.62 percent). The AA median housing value is \$97,989. The AA includes 45,146 households, of which 5,240, or 11.60 percent, are living below the poverty level.

The AA includes 29,849 families with a 2016 Federal Financial Institutions median family income (MFI) of \$58,900. Low- and moderate-income families represent 34.65 percent of all families living in the AA. The percentage of low- and moderate-income families in the low-income CT, as a percentage of the number of families in that CT, is 50.62 percent low-income and 19.09 percent moderate-income. Low-income families earn less than 50 percent of the MFI, or \$29,540. Moderate-income families earn less than 80 percent of the MFI, or \$47,120, but no less than 50 percent of the MFI.

The unemployment rates for Seneca and Cayuga Counties, as of May 31, 2017, were 3.9 percent and 4.3 percent, respectively. The unemployment rates for Seneca and Cayuga Counties were lower than the NY State rate of 4.4 percent for the same period.

Demographic Information of the Assessment Area						
Assessment Area: 2017 Non MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	0.0	76.7	16.7	3.3
Population by Geography	115,277	4.2	0.0	77.0	18.8	0.0
Housing Units by Geography	52,279	3.0	0.0	79.0	18.0	0.0
Owner-Occupied Units by Geography	31,688	30.2	0.0	62.2	74.7	0.0
Occupied Rental Units by Geography	11,989	65.1	0.0	24.4	9.5	0.0
Vacant Units by Geography	7,122	4.6	0.0	13.5	15.8	0.0
Family Distribution by Income Level	29,849	17.4	17.4	22.7	42.5	0.0
Updated Median Family Income Cayuga Seneca AA		\$58,900	Median Housing Value			\$97,989
			Median Gross Rent			\$648
			Households Below the Poverty Level			11.6%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification. (Lake Ontario shoreline in Cayuga County)</i> <i>Updated 2016 FFIEC Median Family Income</i>						

Economic conditions in the Non MSA AA are stable. Significant industries include agriculture, manufacturing, and tourism. The AA is also known for its historical significance as the birthplace of women’s rights with the Seneca Falls Convention, as well as, proximity to the Finger Lakes Region and local wineries. Major area employers in Seneca County include: Goulds Pumps, Waterloo Premium Outlets, ARG Trucking Corp., Seneca Cayuga ARC, and The NY State Chiropractic College. In Cayuga County, major employers include: Auburn Community Hospital, NY State Department of Corrections (including prisons in Auburn and Moravia) and the Auburn School District. Private employers include Walmart, Wegmans, TRW Automotive and Xylem (water technology).

Between 2010 and 2015, the populations of Cayuga and Seneca Counties experienced population declines of 2.68 percent and 1.32 percent, respectively.

Competition from other financial institutions operating in Seneca and Cayuga Counties is significant. From a mortgage purchase/origination stand point, there were 174 and 149 different HMDA reporting mortgage lenders who made loans in the Non MSA AA in 2014 and 2015, respectively. These lenders include larger banks such as: Community Bank, NA, Wells Fargo, AmeriCU Credit Union, Five Star Bank, M&T Bank, and The Lyons National Bank. Smaller

banks, including The First National Bank of Groton and Savannah Bank, NA, originated or purchased a larger amount of HMDA reportable loans.

For deposits, Gen Bank competes against 11 FDIC insured in banks in Cayuga County and eight in Seneca County. The institutions in Cayuga County have 21 offices. Gen Ban ranks ninth, with 4.08 percent in deposit market share, and competes against comparable sized or smaller sized banks directly. Cayuga Lake National Bank in Union Springs, NY, a smaller non-HMDA reporting mortgage lender, ranked third in Cayuga County deposit levels. Savannah Bank, NA, in Auburn, NY, ranked fifth. Larger deposit competitors in Cayuga County include Key Bank and M&T Bank. The institutions in Seneca County have 11 offices. Gen Ban ranks third, with 22.89 percent in deposit market share, behind Community Bank, NA, and Five Star Bank. There are also credit unions having a branch or branches in the AA including Summit FCU and Finger Lakes FCU, AmeriCU Credit Union, Auburn FCU, and Empower FCU.

### **Ontario AA (part of the Rochester MSA)**

The Ontario AA consists of 19 CTs in the middle and eastern sections of Ontario County from Phelps in the east to Victor in the west, and to Gorham and Seneca in the south. The AA is reasonable and does not arbitrarily exclude low- or moderate-income CTs. In October 2014, management opened the Farmington branch adding eight CTs and bringing in the Victor and Canandaigua markets. The AA includes: three moderate-income CTs, 11 middle-income CTs, and five upper-income CTs. There are no low-income CTs in the AA. Three of Gen Bank's nine branches are located in Ontario County in Farmington, Phelps and Geneva.

The AA's 83,431 persons live predominately in middle- and upper-income CTs, with 5.6 percent located in moderate-income tract. Two moderate-income CTs (CTs 517 and 518) are located in the middle and northeastern sections of the City of Geneva and one (CT 511) is in the eastern section of the City of Canandaigua.

The AA includes 35,227 total housing units of which 23,888, or 67.81 percent, are owner-occupied. The remaining units are rental units (9,007, or 25.57 percent) or vacant units (2,332, or 6.62 percent). Owner-occupied housing in moderate-income CTs represents 5.57 percent of owner-occupied housing in the AA. The AA's median housing value is \$136,909. The AA includes 21,157 families with a 2016 FFIEC updated median family income of \$68,100. Low- and moderate-income families represent 31.24 percent of all families living in the AA.

The percentage of low- and moderate-income families in the moderate-income CTs consists of 39.03 percent low-income and 24.76 percent moderate-income. Low-income families earn less than 50 percent of the MFI, or \$34,050. Moderate-income families earn less than 80 percent of the MFI, or \$54,480, but no less than 50 percent of the MFI. The AA includes 32,895 households, of which 9.29 percent are living below the poverty level.

The unemployment rate for Ontario County, as of May 31, 2017, was 4.0 percent, significantly down from 8.2 percent, as of March 31, 2013. The unemployment rate for Ontario County exceeded the NY State rate of 4.4 percent for the same period.

Demographic Information of the Assessment Area						
Assessment Area: 2017 Ontario AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	15.8	57.9	26.3	0.0
Population by Geography	83,431	0.0	5.6	58.8	35.6	0.0
Housing Units by Geography	35,227	0.0	9.6	59.8	30.6	0.0
Owner-Occupied Units by Geography	23,889	0.0	39.2	66.7	79.0	0.0
Occupied Rental Units by Geography	9,006	0.0	53.0	27.1	13.9	0.0
Vacant Units by Geography	2,332	0.0	7.8	6.2	7.1	0.0
Family Distribution by Income Level	21,157	14.91	16.33	23.35	45.41	0.0
Updated Median Family Income: Ontario AA		\$68,100	Median Housing Value			\$136,909
			Median Gross Rent			\$732
			Households Below the Poverty Level			9.29%
<i>Source: 2010 U.S. Census and 2016 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i> <i>Updated 2016 FFIEC Median Family Income</i>						

Economic conditions in the Ontario AA are improving. The largest area employers are three hospitals, one each located in Geneva, Canandaigua and Clifton Springs, along with medical offices throughout the County. Manufacturers include: Constellation Brands (alcohol products), Pactiv (packaging), and G.W. Lisk Co., Inc. (valves and sensors). Wegmans and Finger Lakes Gaming & Racetrack round out major employers.

The 2015 Finger Lakes Forward Upstate Revitalization Initiative details plans to grow several industries in Rochester and the Finger Lakes Region (optics, photonics & imaging, agriculture & food production and next generation manufacturing & technology). Between 2010 and 2015, the population in Ontario County is estimated to have grown by 1.60 percent.

Competition from other financial institutions operating in Ontario County is significant. From a mortgage purchase/origination stand point, there were 140 and 153 different HMDA reporting mortgage lenders who made loans in the Ontario AA in 2014 and 2015, respectively. These lenders include: CNB Mortgage, Canandaigua National Bank and Trust Company, Reliant Community FCU, Wells Fargo, Community Bank, NA, and Quicken Loans. The top ten in each year were larger banks or credit unions. For deposits, Gen Bank competes against ten FDIC insured institutions with 32 offices or branches. Gen Bank ranks seventh, with 2.56 percent in

deposit market share, and competes against much larger institutions, including: The Canandaigua National Bank and Trust Company, Community Bank, NA, and Five Star Bank. There are also credit unions with a presence in the AA, including: ESL Federal Credit Union, Reliant Community Federal Credit Union, and Canandaigua Federal Credit Union.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

Our evaluation covered the time period from April 2, 2013 through July 24, 2017, which represents the evaluation period. Our review of the bank's performance under the Lending Test was based on loan originations and purchases in the bank's primary loan product, home mortgage loans, between January 1, 2014 and December 31, 2016.

### **Data Integrity**

Our data integrity examination, completed in advance of this evaluation, found errors in reported income for 2014, 2015 and 2016 HMDA reporting. However, we determined the misstatements were not of a level significant enough to impact the accuracy of the HMDA data and this CRA evaluation. We did not require management to resubmit HMDA data.

### **Selection of Areas for Full-Scope Review**

We conducted a full-scope review of the Non MSA AA and the Ontario AA.

### **Ratings**

The bank's overall rating is based primarily on the AAs that received full-scope reviews. We gave performance in the Non MSA AA the most weight, as the AA accounts for 74 percent of the bank's loans and 75 percent of the bank's deposits. We placed lesser weight on the Ontario AA, which has fewer branches and 26 percent of the bank's loans and 25 percent of the bank's deposits.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies

with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Loan-to-Deposit Ratio

The bank’s average loan-to-deposit ratio during the evaluation period was more than reasonable. Since the last evaluation through March 31, 2017, the bank’s quarterly average loan-to-deposit ratio was 95 percent. Other commercial banks, whose lending activity is Gen Bank’s footprint, showed much lower loan-to-deposit ratios ranging between 60 and 68 percent. Regionally, the bank was comparable to two savings banks serving Onondaga County, which abuts the eastern border of Cayuga County. These banks reported loan-to-deposit ratios of 77 and 108 percent.

#### Lending in Assessment Area

A majority of the home mortgage loans originated during the evaluation period were inside the bank’s AAs. The amount of home mortgage loans within the AA was 64.82 percent by number of loans and 71.58 percent by dollar amount of loans. Refer to the following table for more information.

Lending in the Assessment Areas										
Loan Type	Number of Loans					Dollar Amount of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA	339	64.82	184	35.18	523	\$40,107	71.58	\$15,925	28.42	\$56,032

Source: HMDA data from 1/1/2014 to 12/31/2016.

### Lending to Borrowers of Different Incomes

Gen Bank's distribution of loans to borrowers of different incomes reflects overall reasonable distribution in the AAs.

Gen Bank shows excellent penetration in originating or purchasing home mortgage loans to moderate-income individuals in the Non MSA AA. Gen Bank shows poor penetration in originating or purchasing home mortgage loans to low-income individuals in the Non MSA AA. Given Gen Bank's lack of a HMDA reportable home improvement loan product, we considered the removal of the very few home improvement loans from the bank's results and the corresponding home improvement loans from the aggregate comparators. While this adjustment helped, the results were still below the aggregate comparators by 210 basis points by number of loans and 128 basis points by dollar amount of loans. Refer to Table I below for additional information.

<b>Table I – Distribution of Home Mortgage Loans by Borrower Income Level in Non MSA AA (Dollars in thousands)</b>				
<b>Borrower Income Level</b>	<b>Review Period 1/1/2014 – 12/31/2016</b>		<b>Aggregate* 2014 - 2015</b>	
<b>By Number:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	11	4.40%	364	7.99%
Moderate	52	20.80%	920	20.19%
Middle	62	24.80%	1,138	24.97%
Upper	116	46.40%	1,649	36.19%
N/A	9	3.6%	486	10.66%
Total	250	100.00%	4,557	100.00%
<b>By \$ Amt:</b>	<b>\$ (000)</b>	<b>%</b>	<b>\$ (000)</b>	<b>%</b>
Low	\$673	2.30%	\$14,938	3.54%
Moderate	\$4,091	13.95%	\$58,866	13.94%
Middle	\$6,546	22.33%	\$90,070	21.33%
Upper	\$17,494	59.67%	\$202,307	47.91%
N/A	\$515	1.75%	\$56,085	13.28%
Total	\$29,319	100.00%	\$422,266	100.00%

Gen Bank shows excellent penetration in originating or purchasing home mortgage loans to low- and moderate-income individuals in the Ontario AA. Refer to Table II below for additional information.

<b>Table II – Distribution of Home Mortgage Loans by Borrower Income Level in Ontario AA (Dollars in thousands)</b>				
<b>Borrower Income Level</b>	<b>Review Period 1/1/2014 – 12/31/2016</b>		<b>Aggregate 2014 - 2015</b>	
<b>By Number:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	7	7.87%	325	6.64%
Moderate	23	25.84%	954	19.50%
Middle	24	26.97%	1,080	22.07%
Upper	32	35.96%	1,988	40.63%
N/A	3	3.36%	546	11.16%
Total	89	100.00%	4,893	100.00%
<b>By \$ Amt:</b>	<b>\$ (000)</b>	<b>%</b>	<b>\$ (000)</b>	<b>%</b>
Low	\$482	4.47%	\$18,154	2.58%
Moderate	\$2,443	22.65%	\$75,786	10.76%
Middle	\$2,785	25.82%	\$117,320	16.66%
Upper	\$4,517	41.87%	\$389,343	55.29%
N/A	\$561	5.19%	\$103,632	14.71%
Total	\$10,788	100.00%	\$704,235	100.00%



### Geographic Distribution of Loans

The bank had overall poor dispersion of home mortgage loans among CTs of different income designations within the AAs.

The bank's results reflect poor distribution of loans to the low-income CT in the Non MSA AA. Gen Bank was unable to make any loans or take any applications in this low-income CT. Refer to Table III below for additional information.

<b>Table III – Distribution of Home Mortgage Loans by Geographic Income Level in Non MSA AA (Dollars in thousands)</b>				
<b>Borrower Income Level</b>	<b>Review Period 1/1/2014 – 12/31/2016</b>		<b>Aggregate 2014 - 2015</b>	
<b>By Number:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0%	59	1.29%
Moderate	0	0%	0	0%
Middle	188	75.2%	3,534	77.55%
Upper	62	24.8%	964	21.81%
N/A	0	0%	0	0%
Total	250	100.00%	4,557	100.00%
<b>By \$ Amt:</b>	<b>\$ (000)</b>	<b>%</b>	<b>\$ (000)</b>	<b>%</b>
Low	0	0%	\$3,513	0.83%
Moderate	0	0%	0	0%
Middle	\$19,354	66.01%	\$304,086	72.01%
Upper	\$9,965	33.99%	\$114,667	27.16%
N/A	0	0%	0	0%
Total	\$29,319	100.00%	\$422,266	100.00%

The bank's penetration in the three moderate-income CTs in the Ontario AA was poor. Gen Bank had lower penetration in the moderate-income CTs in the Cities of Canandaigua and Geneva. Refer to Table IV for additional information.

<b>Table IV – Distribution of Home Mortgage Loans by Geographic Income Level in Ontario AA (Dollars in thousands)</b>				
<b>Borrower Income Level</b>	<b>Review Period 1/1/2014 – 12/31/2016</b>		<b>Aggregate 2014 - 2015</b>	
<b>By Number:</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0%	0	0%
Moderate	2	2.25%	227	4.64%
Middle	71	79.78%	2,846	58.16%
Upper	16	17.98%	1,820	37.20%
N/A	0	0%	0	0%
Total	89	100.00%	4,893	100.00%
<b>By \$ Amt:</b>	<b>\$ (000)</b>	<b>%</b>	<b>\$ (000)</b>	<b>%</b>
Low	0	0%	0	0%
Moderate	\$215	1.99%	\$28,105	3.99%
Middle	\$7,989	74.05%	\$314,194	44.62%
Upper	\$2,584	23.95%	\$361,936	51.39%
N/A	0	0%	0	0%
Total	\$10,788	100.00%	\$704,235	100.00%

### Responses to Complaints

Gen Bank did not receive any CRA-related complaints during the evaluation period.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/14 to 12/31/16) Investment and Service Tests and CD Loans: Not applicable	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Generations Bank (Gen Bank) Seneca Falls, New York	Residential mortgages	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Non MSA AA	Full Scope	Non MSA
Ontario AA	Full Scope	Ontario County is part of the Rochester NY, MSA