



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

July 22, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Grand Bank, National Association
Charter Number 24268

One Edinburg Road
Hamilton, NJ 08619

Office of the Comptroller of the Currency

343 Thornall Street
Suite 610
Edison, NJ 08837

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.

General Information:

The OCC utilizes the Wolters Kluwer Financial Services (WKFS) CRA Wiz software to support its analysis of an institution's lending performance. In April 2013, WKFS identified incorrect values, based on the 2010 census data, within CRA Wiz. Specifically, WKFS determined that the demographic distribution data for family and household income had been incorrectly calculated. This, in turn, caused the number and proportion of families and households in each of the four CRA income categories to be incorrectly calculated, which affected the OCC's analysis of residential and consumer loans that were originated and/or purchased by institutions during 2012 and 2013. The CRA Performance Evaluation (CRA PE) of Grand Bank, NA, dated February 19, 2013 included the OCC's analysis of residential loans that were originated in 2012. In May 2013, WKFS provided corrected demographic data to the OCC, which subsequently has been validated. The OCC is issuing this amended CRA PE as of July 22, 2013 based on the corrected demographic data supplied by WKFS.

Conclusion:

The OCC revised its original analysis of Grand Bank's lending based on the corrected family and household income data provided by WKFS. This updated analysis did not result in a change to Grand Bank's Lending Test rating, and did not result in a change to Grand Bank's Overall CRA rating.

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

The primary factors supporting this rating are as follows:

- The bank's average loan-to-deposit ratio is more than reasonable.
- The distribution of loans to borrowers reflects reasonable penetration among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout census tracts of different income levels.
- The bank has received no complaints regarding its performance in helping to meet the credit needs of its assessment area.

SCOPE OF EXAMINATION

The evaluation period covers November 30, 2009 through February 19, 2013 and represents the time period between the start of the bank's prior and current CRA Performance Evaluations. We evaluated the bank using the small bank performance criteria which consists of a lending test. The lending test evaluates the bank's record of helping to meet the credit needs of its assessment area through its lending activities. The evaluation period for the lending test covered loans originated between January 1,

2010 and December 31, 2012. Based on a review of the number and dollar amount of loans originated, we determined that residential mortgage loans were the bank's primary loan products during this time period. We used the bank's 2010, 2011, and 2012 HMDA data to conduct our analyses and make conclusions regarding the bank's lending performance. The integrity of the bank's HMDA data was determined to be satisfactory during an on-site data integrity review performed in October 2012. The lending activity of the bank's subsidiary, Carnegie Mortgage, was included under the lending test, with the exception of the Lending in Assessment Area portion.

The CRA PE of Grand Bank, NA, dated February 19, 2013, included an analysis of residential loans that the institution originated in 2012. The CRA PE was originally finalized and issued on April 2, 2013, prior to the OCC learning of the data errors in CRA Wiz. Accordingly, after securing corrected demographic data from WKFS, the OCC re-analyzed Grand Bank's CRA performance.

DESCRIPTION OF INSTITUTION

Grand Bank, N.A. (GBNA) is a community bank headquartered in Hamilton Township, New Jersey. The bank has two branches, located in Hamilton and Hamilton Square, New Jersey. GBNA opened for business in March of 2002 and operates as a banking entity for local companies and individuals, offering a range of services tailored to meet the needs of small businesses and professionals. The bank has no holding company.

In August 2006, the bank established a wholly-owned subsidiary, Carnegie Mortgage, LLC (Carnegie), which originates residential mortgage loans for sale in the secondary market. During the evaluation period, the bank's primary business focus involved originating mortgages on a national level through Carnegie.

GBNA is a full service community bank offering a standard range of retail and commercial banking services. Retail services include checking accounts, savings accounts, certificates of deposit, residential mortgages, and consumer loans. Commercial services include business checking accounts, savings accounts, certificates of deposits, trust and escrow accounts, commercial loans, and SBA loans. The bank also offers modern services such as remote deposit, electronic statements, and mobile banking.

As of December 31, 2012, GBNA had total assets of \$278 million, with \$205 million in total deposits and \$224 million in total loans. The loan portfolio consists of \$123 million in residential real estate loans, \$84 million in commercial real estate loans, \$16 million in commercial loans, and \$1 million in consumer and other loans.

There are no financial or legal impediments to hinder GBNA's ability to help meet the credit needs of the communities it serves. The bank received a "Satisfactory" rating on its prior CRA Performance Evaluation dated November 30, 2009.

DESCRIPTION OF ASSESSMENT AREA(S)

GBNA has one assessment area that consists of five contiguous counties in central New Jersey. One of the counties, Mercer, comprises the entire Trenton-Ewing Metropolitan Statistical Area (MSA). The other four counties, Middlesex, Monmouth, Ocean, and Somerset, are located in the Edison-New Brunswick Metropolitan Division (MD). GBNA's assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas. As the Trenton-Ewing MSA area and the Edison-New Brunswick MD area, however, have separate and distinct median family income values that are used to identify borrowers and census tracts that are low- or moderate-income, the bank has two assessment areas for analytical purposes. In addition, GBNA's performance in 2010 and 2011 are evaluated using 2000 U.S. Census Data and the bank's performance in 2012 is evaluated using 2010 U.S. Census Data. Consequently, demographic data for 2000 and 2010 are provided for both areas. The two assessment areas are described below:

Trenton-Ewing MSA (Mercer County)

Demographic Information for Mercer County for 2010-2011						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	73	17.81	16.44	34.25	30.14	1.37
Population by Geography	350,761	11.94	14.87	35.29	37.37	0.52
Owner-Occupied Housing by Geography	84,325	6.07	12.82	38.98	42.12	0.00
Business by Geography	33,798	10.69	10.70	32.32	46.30	0.00
Farms by Geography	598	3.01	9.03	33.61	54.35	0.00
Family Distribution by Income Level	86,757	20.71	17.30	21.40	40.58	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	32,980	21.92	22.47	35.32	20.29	0.00
Median Family Income		68,261	Median Housing Value		240,100	
HUD Adjusted Median Family Income for 2011		94,400	Unemployment Rate (BLS-2011)		7.7%	
Households Below Poverty Level		9%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2011 HUD updated MFI, Bureau of Labor Statistics, and National Association of Realtors 2011

The 2000 U.S. Census reported the total population of this assessment area at 350,761 living within 73 census tracts. Of the 73 census tracts, 17.81 percent are low-income geographies, 16.44 percent are moderate-income geographies, 34.25 percent are middle-income geographies, and 30.14 percent are upper-income geographies.

The 2011 HUD adjusted median family income for this assessment area was \$94,400. Within this assessment area, 20.71 percent of the families were low-income, earning a median income of \$47,200 or less; 17.30 percent were moderate-income, earning a

median income of no more than \$75,520; and 9 percent of all households had incomes below the poverty level.

For 2011, the Bureau of Labor Statistics reported the unemployment rate in the Trenton-Ewing, NJ MSA (Mercer County) as 7.7 percent, compared to the state rate of 9.4 percent and the national rate of 8.9 percent.

Demographic Information for Mercer County for 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	19.48	18.18	29.87	31.17	1.30
Population by Geography	366,513	13.57	16.01	31.90	38.00	0.52
Owner-Occupied Housing by Geography	87,700	6.87	14.10	36.68	42.35	0.00
Business by Geography	31,237	11.93	11.00	28.26	48.81	0.00
Farms by Geography	589	3.23	12.73	30.56	53.48	0.00
Family Distribution by Income Level	87,385	22.84	16.80	19.15	41.20	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	34,641	24.56	22.86	29.21	23.37	0.00
Median Family Income		88,694		Median Housing Value	250,300	
HUD Adjusted Median Family Income for 2012		95,700		Unemployment Rate (BLS-Nov. 2012)	7.4%	
Households Below Poverty Level		10%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2012 HUD updated MFI, Bureau of Labor Statistics, and National Association of Realtors 2012 preliminary data

The 2010 U.S. Census reported the total population of this assessment area at 366,513 living within 77 census tracts. Of the 77 census tracts, 19.48 percent are low-income geographies, 18.18 percent are moderate-income geographies, 29.87 percent are middle-income geographies, and 31.17 percent are upper-income geographies.

The 2012 HUD adjusted median family income for this assessment area was \$95,700. Within this assessment area, 22.84 percent of the families were low-income, earning a median income of \$47,850 or less; 16.80 percent were moderate-income, earning a median income of no more than \$76,560; and 10 percent of all households had incomes below the poverty level.

GBNA operates in a highly competitive financial services market with competition from national, regional and local financial institutions. According to June 30, 2012 FDIC Summary of Deposit data, GBNA ranked 14 out of 26 institutions competing within its assessment area, with a deposit market share of 2.08 percent. In regards to residential mortgage loan market share, for the calendar year 2010, out of 313 institutions, Carnegie ranked 70 with a 0.16 percent market share and GBNA ranked 286 with a 0.01 percent market share. For the calendar year 2011, out of 327 institutions, Carnegie ranked 96 with a 0.08 percent residential mortgage loan market share and GBNA ranked 226 with a 0.02 percent market share.

The assessment area’s principal city is Trenton, the state capital of New Jersey. The leading industries include: state and local governments, educational and health services, and professional and business services. The top employers are: Princeton University, Bristol-Myers Squibb, Capital Health System, and New Jersey Manufacturers Insurance. The area has been slow to recover from the economic downturn. The state budget shortfall resulted in a steep decline in government employment. As the capital, Trenton lost the most government jobs. With limited job growth in other industries and high living costs, people are moving out of the area.

As of November 2012, the Bureau of Labor Statistics reported the unemployment rate in the Trenton-Ewing, NJ MSA as 7.4 percent, compared to the state rate of 9.2 percent and the national rate of 7.8 percent.¹

During the examination, we consulted a local community organization regarding community credit needs and business opportunities. The contact indicated that there is a need for more bank branch offices in the area to serve the low-income communities. With respect to community development needs, the contact identified affordable housing and economic revitalization programs to spur economic growth.

Middlesex, Monmouth, Ocean and Somerset Counties within the Edison-New Brunswick MD

Demographic Information for Middlesex, Monmouth, Ocean and Somerset Counties for 2010-2011						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	496	4.64	18.35	51.61	24.80	0.60
Population by Geography	2,173,869	3.91	17.20	51.81	26.93	0.15
Owner-Occupied Housing by Geography	595,582	3.50	14.87	51.71	29.93	0.00
Business by Geography	209,968	3.04	13.68	51.01	32.17	0.11
Farms by Geography	4,120	1.04	9.20	53.74	36.02	0.00
Family Distribution by Income Level	570,961	19.11	18.58	22.73	39.58	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	215,185	7.80	25.84	52.10	14.26	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		69,978 95,300 6%	Median Housing Value Unemployment Rate (BLS-2011)		313,900 8.6%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI, Bureau of Labor Statistics, and National Association of Realtors 2011

¹ The national unemployment rate is seasonally adjusted. The unemployment rates for the MSA and the state are not seasonally adjusted.

The 2000 U.S. Census reported the total population of this assessment area at 2,173,869 living within 496 census tracts. Of the 496 census tracts, 4.64 percent are low-income geographies, 18.35 percent are moderate-income geographies, 51.61 percent are middle-income geographies, and 24.80 percent are upper-income geographies.

The 2011 HUD adjusted median family income for this assessment area was \$95,300. Within this assessment area, 19.11 percent of the families were low-income, earning a median income of \$47,650 or less; 18.58 percent were moderate-income, earning a median income of no more than \$76,240; and 6 percent of all households had incomes below the poverty level.

For 2011, the Bureau of Labor Statistics reported the unemployment rate in the Edison-New Brunswick, NJ MD as 8.6 percent, compared to the state rate of 9.4 percent and the national rate of 8.9 percent.

Demographic Information for Middlesex, Monmouth, Ocean and Somerset Counties for 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	511	6.85	18.40	48.73	25.44	0.59
Population by Geography	2,340,249	6.84	18.20	48.14	26.81	0.01
Owner-Occupied Housing by Geography	636,698	4.15	16.48	49.73	29.64	0.00
Business by Geography	197,409	4.71	15.35	48.03	31.90	0.00
Farms by Geography	4,136	1.81	11.03	48.28	38.88	0.00
Family Distribution by Income Level	596,298	20.39	17.87	22.04	39.70	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	228,158	11.18	27.45	47.02	14.34	0.00
Median Family Income		91,959	Median Housing Value	299,100		
HUD Adjusted Median Family Income for 2012		96,600	Unemployment Rate (BLS-Nov. 2012)	9.1%		
Households Below Poverty Level		7%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census and 2012 HUD updated MFI, Bureau of Labor Statistics, and National Association of Realtors 2012 preliminary data

The 2010 U.S. Census reported the total population of this assessment area at 2,340,249 living within 511 census tracts. Of the 511 census tracts, 6.85 percent are low-income geographies, 18.40 percent are moderate-income geographies, 48.73 percent are middle-income geographies, and 25.44 percent are upper-income geographies.

The 2012 HUD adjusted median family income for this assessment area was \$96,600. Within this assessment area, 20.39 percent of the families were low-income, earning a median income of \$48,300 or less; 17.87 percent were moderate-income, earning a

median income of no more than \$77,280; and 7 percent of all households had incomes below the poverty level.

This assessment area also has a highly competitive financial services market with competition from national, regional and local financial institutions. GBNA does not have any branch offices in this assessment area. With respect to residential mortgage loan market share, for the calendar year 2010, out of 520 institutions, Carnegie ranked 86 with a 0.12 percent market share and GBNA ranked 352. For the calendar year 2011, out of 539 institutions, Carnegie ranked 104 with a 0.10 percent residential mortgage loan market share and GBNA ranked 201 with a 0.02 percent market share.

The assessment area's economic profile is diverse. The largest industries in Middlesex and Monmouth Counties are trade, transportation and utilities. In Ocean County the largest industries are educational and health services; and in Somerset County the largest industries are professional and business services. Major employers in the area include: United Parcel Service, White Consolidated Industries, Ford Motor Company, JFK Hospital, and Wakefern Food Corporation. The economic recovery in this area continues to be slow.

As of November 2012, the Bureau of Labor Statistics reported the unemployment rate in the Edison-New Brunswick, NJ MD as 9.1 percent, compared to the state rate of 9.2 percent and the national rate of 7.8 percent.²

During the evaluation period, OCC representatives met with community development organizations operating in this assessment area. The contacts indicated that small business financing and commercial lending to fund economic revitalization projects are current community needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The evaluation period for the lending test covered loans originated between January 1, 2010 and December 31, 2012. Based on a review of the number and dollar amount of loans originated, we determined that residential mortgage loans were the bank's primary loan products during this time period. We used the bank's 2010, 2011, and 2012 HMDA data to conduct our analyses and make conclusions regarding the bank's lending performance. The bank's performance in 2010 and 2011 are evaluated using 2000 U.S. Census Data and the bank's performance in 2012 is evaluated using 2010 U.S. Census Data. The lending activity of the bank's subsidiary, Carnegie Mortgage, was included under the lending test, with the exception of the Lending in Assessment Area portion.

² The national unemployment rate is seasonally adjusted. The unemployment rates for the MSA and the state are not seasonally adjusted.

Loan-to-Deposit Ratio

GBNA's loan-to-deposit ratio (LTD) is more than reasonable given the bank's size, capacity to lend, and the credit needs of the assessment area. The quarterly average LTD ratio for the 12 quarters reviewed (December 31, 2009 – September 30, 2012) was 107.41 percent. The LTD reached a high of 121.38 percent on June 30, 2011 and a low of 97.03 percent on September 30, 2012. GBNA's LTD was above the peer group's average of 71.93 percent. The peer group consists of six established national and state chartered institutions similarly sized and located. LTD ratios within the peer group ranged from 61.50 percent to 78.36 percent.

Lending in Assessment Area

2010-2011 Lending in the Assessment Area										
Loan Product Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	4	0.48	836	99.52	840	1,137	0.54	208,975	99.46	210,112
Refinancing	22	0.94	2,315	99.06	2,337	7,260	1.11	649,242	98.89	656,502
Home Improvement	1	3.45	28	96.55	29	7	0.09	7,478	99.91	7,485
Totals	27	0.84	3,179	99.16	3,206	8,404	0.96	865,695	99.04	874,099

Source: 2010-2011 HMDA Data; 2000 U.S. Census Data

2012 Lending in the Assessment Area										
Loan Product Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	29	1.87	1,525	98.13	1,554	7,377	1.86	389,305	98.14	396,682
Refinancing	60	0.99	5,989	99.01	6,049	15,105	0.96	1,554,399	99.04	1,569,504
Home Improvement	1	1.89	52	98.11	53	95	0.79	11,869	99.21	11,964
Totals	90	1.18	7,566	98.82	7,656	22,577	1.14	1,955,573	98.86	1,978,150

Source: 2012 HMDA Data; 2010 U.S. Census Data

GBNA, by number and dollar amount, originated a substantial majority of its loans outside its assessment area. The bank does not meet the standard for satisfactory performance under this criterion. The bank's business strategy, however, involves originating residential mortgages on a national level through its subsidiary, Carnegie Mortgage.

While affiliate lending is typically excluded from calculating a bank’s “in/out ratio,” a change in regulations during the evaluation period necessitated that loans originated by the subsidiary after July 2011 be reported under the bank’s name. The total amount of loans originated nationally by the subsidiary is so significant that it dwarfs the amount of loans originated in the assessment area. Although the percentages are low, in actuality the bank and its subsidiary originated 361 residential real estate loans, totaling \$99,635,000, in the assessment area during the evaluation period.

Lending to Borrowers of Different Incomes

Conclusion for Trenton-Ewing MSA

2010-2011 Borrower Distribution of Residential Real Estate Loans in Trenton- Ewing MSA									
Borrower Income Level		Low		Moderate		Middle		Upper	
Loan Type	Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	7	20.71	28.57	17.30	0.00	21.40	28.57	40.58	42.86
Home Improvement	2	20.71	0.00	17.30	0.00	21.40	50.00	40.58	50.00
Refinance	25	20.71	0.00	17.30	13.64	21.40	31.82	40.58	54.55

Source: 2010-2011HMDA Data; 2000 U.S. Census Data.

2012 Borrower Distribution of Residential Real Estate Loans in Trenton-Ewing MSA									
Borrower Income Level		Low		Moderate		Middle		Upper	
Loan Type	Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	2	22.84	0.00	16.80	0.00	19.15	100	41.20	0.00
Home Improvement	0	22.84	0.00	16.80	0.00	19.15	0.00	41.20	0.00
Refinance	8	22.84	0.00	16.80	50.00	19.15	0.00	41.20	50.00

Source: 2012 HMDA Data; 2010 U.S. Census Data.

The distribution of loans to borrowers reflects reasonable penetration among borrowers of different income levels. We placed the most emphasis on refinance loans as this was the major product by number of loans. For 2010-2011, the bank’s refinance loans to moderate-income borrowers is slightly lower than the area demographics. For 2012, refinance loans to moderate-income borrowers exceeds the area demographics, though the number of loans is small. The bank did not make any refinance loans to low-income borrowers; but the bank did make a limited number of home purchase loans to low-income borrowers.

The high cost of housing in this marketplace, however, makes homeownership difficult for most low-income borrowers. Recent data from the National Association of Realtors shows that the median sales price of an existing single family home in the assessment area is \$250 thousand. The updated median family income for the assessment area

indicates that a low-income family earns less than \$48 thousand a year. Due to the difficulty for low-income borrowers to afford homes in this area, we placed the greatest weight in our analysis on the distribution among moderate-income borrowers.

The bank's lending to borrowers of different income levels within the Trenton-Ewing MSA meets the standard for satisfactory performance.

Conclusion for Edison-New Brunswick MD

2010-2011 Borrower Distribution of Residential Real Estate Loans in Edison-New Brunswick MD									
Borrower Income Level		Low		Moderate		Middle		Upper	
Loan Type	Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	65	19.11	9.23	18.58	27.69	22.73	30.77	39.58	32.31
Home Improvement	4	19.11	0.00	18.58	0.00	22.73	50.00	39.58	50.00
Refinance	168	19.11	2.00	18.58	22.00	22.73	22.67	39.58	53.33

Source: 2010-2011 HMDA Data; 2000 U.S. Census Data.

2012 Borrower Distribution of Residential Real Estate Loans in Edison-New Brunswick MD									
Borrower Income Level		Low		Moderate		Middle		Upper	
Loan Type	Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Purchase	27	20.39	7.41	17.87	22.22	22.04	37.04	39.70	33.33
Home Improvement	1	20.39	0.00	17.87	0.00	22.04	0.00	39.70	0.00
Refinance	52	20.39	6.67	17.87	22.22	22.04	31.11	39.70	40.00

Source: 2012 HMDA Data; 2010 U.S. Census Data.

The distribution of loans to borrowers reflects reasonable penetration among borrowers of different income levels. We considered both purchase loans and refinance loans as the volume of lending for both products was sufficient for meaningful analysis. For 2010-2011 and 2012, the bank's loans to moderate-income borrowers for home purchase and refinance loans exceed the area demographics. For the same time periods, the bank's loans to low-income borrowers for home purchase and refinance are somewhat lower than the area demographics, with the exception of refinance loans for 2010-2011 being significantly lower.

The high cost of housing in this marketplace, however, makes homeownership difficult for most low-income borrowers. Recent data from the National Association of Realtors shows that the median sales price of an existing single family home in the assessment area is \$299 thousand. The updated median family income for the assessment area indicates that a low-income family earns less than \$48 thousand a year. Due to the difficulty for low-income borrowers to afford homes in this area, we placed the greatest weight in our analysis on the distribution among moderate-income borrowers.

The bank's lending to borrowers of different income levels within the Edison-New Brunswick MD meets the standard for satisfactory performance.

Geographic Distribution of Loans

Conclusion for Trenton-Ewing MSA

2010-2011 Geographic Distribution of Residential Real Estate Loans in Trenton-Ewing MSA									
Census Tract Income Level		Low		Moderate		Middle		Upper	
Loan type	Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	7	6.07	0.00	12.82	28.57	38.98	14.29	42.12	57.14
Home Improvement	2	6.07	0.00	12.82	0.00	38.98	0.00	42.12	100
Refinance	25	6.07	0.00	12.82	8.00	38.98	28.00	42.12	64.00

Source: 2010-2011 HMDA Data; 2000 U.S. Census Data

2012 Geographic Distribution of Residential Real Estate Loans in Trenton-Ewing MSA									
Census Tract Income Level		Low		Moderate		Middle		Upper	
Loan type	Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	2	6.87	50.00	14.10	0.00	36.68	0.00	42.35	50.00
Home Improvement	0	6.87	0.00	14.10	0.00	36.68	0.00	42.35	0.00
Refinance	8	6.87	0.00	14.10	0.00	36.68	50.00	42.35	50.00

Source: 2012 HMDA Data; 2010 U.S. Census Data

The geographic distribution of home loans within the Trenton-Ewing MSA reflects reasonable dispersion throughout census tracts of different income levels. We placed the most emphasis on refinance loans as this was the major product by number of loans. For 2010-2011, home refinance loans were somewhat lower than the moderate-income demographics. There were no refinance loans in low-income geographies. During the review period, however, the bank did make a small amount of purchase loans in low- and moderate-income geographies.

We also took into account the fact that GBNA operates in a highly competitive market with limited lending opportunities in low-income geographies. Less than 7 percent of owner-occupied housing is located in low-income geographies.

The bank's lending in geographies of different income levels within the Trenton-Ewing MSA meets the standard for satisfactory performance.

Conclusion for Edison-New Brunswick MD

2010-2011 Geographic Distribution of Residential Real Estate Loans in Edison – New Brunswick MD									
Census Tract Income Level		Low		Moderate		Middle		Upper	
Loan type	Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	65	3.50	3.08	14.87	9.23	51.71	50.77	29.93	36.92
Home Improvement	4	3.50	0.00	14.87	0.00	51.71	50.00	29.93	50.00
Refinance	168	3.50	1.19	14.87	11.31	51.71	55.36	29.93	32.14

Source: 2010-2011 HMDA Data; 2000 U.S. Census Data

2012 Geographic Distribution of Residential Real Estate Loans in Edison – New Brunswick MD									
Census Tract Income Level		Low		Moderate		Middle		Upper	
Loan type	Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Purchase	27	4.15	11.11	16.48	22.22	49.73	37.04	29.64	29.63
Home Improvement	1	4.15	0.00	16.48	0.00	49.73	100	29.64	0.00
Refinance	52	4.15	3.85	16.48	11.54	49.73	61.54	29.64	23.08

Source: 2012 HMDA Data; 2010 U.S. Census Data

The geographic distribution of home loans within the Edison-New Brunswick MD reflects reasonable dispersion throughout census tracts of different income levels. We considered both purchase loans and refinance loans as the volume of lending for both products was sufficient for meaningful analysis. For 2010-2011, home purchase and home refinance loans were somewhat lower than the demographics in both the low- and moderate-income geographies. For 2012, home purchase and home refinance loans were near to or exceeded the demographics in both low- and moderate-income geographies.

The bank's lending in geographies of different income levels within the Edison-New Brunswick MD meets the standard for satisfactory performance.

Responses to Complaints

GBNA did not receive any CRA complaints during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

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

