



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Maspeth FS&LA
Charter Number 705138

5618 69th St
Maspeth, NY 11378-1855

Office of the Comptroller of the Currency

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New York, NY 10017-2613

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, and should not 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: Satisfactory.

The satisfactory CRA performance rating is a positive reflection of Maspeth Federal Savings and Loan Association’s (“Maspeth” or “the institution”) responsiveness to the credit and service needs of its community. The overall volume of lending was adequate. The percentage distribution of lending in low- and moderate-income geographies was satisfactory, while the low- and moderate-income borrower penetration was reasonable. The institution did not originate any community development loans during the review period.

The investment test shows a low satisfactory response to community credit needs with the institution’s grants that supported low- and moderate-income persons and community and economic development needs in the assessment area.

The service test reveals a satisfactory commitment by the institution to its community via its effective delivery system for products and services. Branches are accessible and are open for business hours tailored to the needs of the community, including low- and moderate-income populations. Management and personnel participated in community-based organizations that promoted financial and other services to low- and moderate-income communities and individuals.

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Maspeth FS & LA's geographic distribution of lending is good and borrower distribution reflects adequate penetration among retail customers of different income levels.
- There were no community development loans originated during the review period.
- The investment test evidenced an overall adequate ability to meet the community development needs through donations and grant contributions in the AA.
- The community development service test determined the institution's branches and delivery systems provide reasonable accessibility for LMI individuals in the AA.

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 usually have between 2,500 and 8,000 persons, and 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on 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 ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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) and the Thrift Financial Reporting (TFR) 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

Maspeth Federal Savings & Loan Association (FS & LA) is a \$1.7 billion federally chartered savings and loan association. The association is an intrastate community and service oriented financial institution in Queens County, New York and adjacent areas. Maspeth FS & LA provides banking services through one loan processing center in Queens County and six branch offices; five branches are in Queens County, including the Main Office and one is in adjacent Nassau County, New York. The association operates as a traditional savings and loan association that provides retail banking services, real estate financing, and consumer & commercial banking products.

To a greater extent, the association's success in the marketplace is attributable to management's philosophy of personalized banking and customer service, which has supported its profitability and success. The Board of Directors, management, and staff participate in community involvement which has contributed to enhancing their customer loyalty and relationships. Maspeth and employees sponsor, attend, and/or run various community-oriented programs and events to maintain high visibility in the community. The events include home improvement fairs, art shows, car shows, free summer concerts, and also the local Memorial Day parade. Moreover, the association sponsors the Maspeth Town Hall Learnfest and the Polonians Organized to Minister to Our Community (P.O.M.O.C.). Members of the Board of Directors are active in local organizations including the: Queensboro Elks Lodge, Maspeth Kiwanis Club, United Veterans and Fraternal Organizations, American Legion, and the Community Planning Board which all contribute to the local lending area.

Due to the association's market area that has a high density of larger financial institutions with greater resources, name recognition, and market presence, Maspeth faces increasing competition in making loans and attracting deposits. Historically, the institution's direct competition for deposits has been derived from other savings and loans, savings banks, and commercial banks and credit unions. Maspeth also has increased competition for deposits from products offered by brokerage firms and other financial intermediaries. However, despite the competition, Maspeth has been successful in maintaining its deposit base. Total deposits were stable at \$1.2 billion as of June 30, 2012 and remained unchanged from the prior year. Management considers its reputation and customer service as its major competitive advantage in attracting and retaining customers in its market area. The Main Office serves its local Queens community and customer base as many employees are fluent in Polish, Italian, and Spanish languages.

As a result of competition and being community service oriented, Maspeth offers extended banking hours to provide the convenience for the local community and its customers to inquire and address their credit needs. The branch locations in Rego Park, Ridgewood, Forest Hills, New Hyde Park, and Fresh Meadows are open until either 6pm or 7pm one evening a week to accommodate customers. The Main Office drive-up window is open from 8am-8pm Monday through Friday and the Main lobby is open from 9am-7pm. The institution also provides Saturday hours in addition to drive-up window hours for its Main Office and branches. The Saturday hours are from 9am-1pm. In order to accommodate and

attract new customers, the institution also expanded its Forest Hills Branch in the winter of 2011 to include a drive-up window and additional parking lot spaces.

Assessment Area

Maspeth’s assessment area consists of all of Queens County, NY and the northwest portion of Nassau County. Queens County is located in the New York-White Plains-Wayne, NY-NJ Metropolitan Division (MD) #35644 and Nassau County is in the Nassau-Suffolk, NY MD #35004. These contiguous MDs are located in the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area (MSA) #35620. The assessment area contains 753 census tracts (“geographies”). Table 2 illustrates demographic data on population, families, and housing units within the assessment area.

Demographic Data	2000 Census
Population	2,607,511
Total Families	640,932
1-4 Family Units	607,492
Multi-family Units	339,844
% Owner-Occupied Units	46%
% Rental-Occupied Units	50%
% Vacant Housing Units	4%
Weighted Average Median Housing	\$217,952

Table 3 indicates the number of geographies in each income level and compares it to the distribution of families living in those geographies and to 1-4 family dwellings located within those geographies.

Geog Inc Level	Geographies		Total Area Families		1-4 Family Dwellings	
2000 Census:	#	%	#	%	#	%
Low	13	1.7%	9,441	1.5%	3,049	0.5%
Moderate	152	20.1%	147,189	22.9%	97,159	15.9%
Middle	355	47.4%	317,405	49.5%	314,527	51.6%
Upper	213	28.2%	166,897	26%	195,256	32.0%
Income NA	20	2.6%	0	0.0%	95	0.0%
Total	753	100.0%	640,932	100.0%	610,086	100.0%

According to the 2000 census data, 24.4% (Table 4(c)) of the families in the assessment area are classified as low to moderate income, with 12.94% of the families reporting income below the poverty level. The Department of Housing and Urban Development (HUD) annually adjusts the 2000 census data to update the income levels. The adjusted figures are used in the Lending to Borrowers of Different Incomes section of this Performance Evaluation. Table 4(a) indicates median family income ranges of each income category based on the 2011 HUD adjustment; table 4(b) reflects the updated HUD median family income for each year during the review period; and table 4(c) shows the distribution of families in each income range of the assessment area.

Table 4(a) - Median Family Income Ranges (*)		
Income Category (As % of MD Median)	Queens & Nassau AA	
	From	To
Low (< 50%)	\$1	\$35,756
Moderate (50% - 79%)	\$35,757	\$56,494
Middle (80% - 119%)	\$56,495	\$85,099
Upper (>= 120%)	\$85,100	+

Table 4(b) - Annual HUD Median Family Income		
Year	NY-White Plains MD	Nassau-Suffolk MD
	Amount	Amount
2009	\$59,500	\$93,800
2010	\$62,300	\$103,600
2011	\$64,200	\$106,100

Table 4(c) - Distribution of Families In the Assessment Area		
Family Income Category (As a % of MD Median)	2000 Census Data	
	Number	Percent
Low (< 50%)	9,441	1.47%
Moderate (50% - 79%)	147,189	22.96%
Middle (80% - 119%)	317,405	49.52%
Upper (>= 120%)	166,897	26.04%
Total	640,932	100.0%

Queens is the easternmost of the five boroughs of New York City, the largest in area and the second largest by population. Queens County is now the second most populous county in New York State and the fourth-most densely populated county in the United States. Located on the western portion of Long Island, Queens is home to two of the three major New York City airports. The western portion of Queens is more urban with several business districts while the remainder of the county shares characteristics with Nassau County, a more suburban area. Queens has the second largest and most diversified economy of all the five boroughs of New York City.

Many residents from both Queens and Nassau Counties commute daily to New York County (Manhattan) for employment purposes. Queens has a growing economy that is benefiting from continued public and private sector investments and actions. No single industry overwhelmingly dominates the Queens economy. Two-thirds of all businesses in Queens employ between one and four people, making small businesses an important part of the borough’s economic vitality.

Major employers in the assessment area include government, public utilities, financial services, shipping and transportation, light manufacturing, wholesale and retail business, major corporations, and smaller private service businesses. There were 239 financial institutions with a total of 27,442 offices in the

assessment area as of June 30, 2011. These financial institutions have deposits totaling \$1 trillion, and Maspeth's market share is 0.12% of total deposits in the assessment area.

The assessment area is composed predominantly of 1-4 family units which make up approximately 64% of total housing units in the area. Owner-occupied units are located primarily in middle and upper income geographies and rental units are in middle and moderate income geographies.

There are many community and economic development organizations throughout the assessment area. As part of the CRA assessment, a previously made contact was reviewed to develop a better understanding of the housing needs of the community and how financial institutions are addressing those needs. The contact indicated that community needs include affordable housing, foreclosure prevention, pre- and post-purchase counseling, financial literacy training and funding for non-profit organizations.

Scope of the Evaluation

The examination included a review of HMDA reportable residential mortgage loans for the 30-month review period of January 1, 2010 through June 30, 2012. The HMDA reportable loans consisted of one-to-four family, refinance, multifamily and home improvement loans. Community development loans, investments, and services were also included in our scope. The time period used for this evaluation is April 13, 2009 through August 30, 2012.

Based on the August 31, 2012 "Distinctions Between OCC and OTS Policies Related to CRA Examinations" we evaluated for CRA using existing OTS guidance for Large Retail Savings Associations (program procedures dated April 2011)

Data Integrity

The data used in this analysis was obtained from the Home Mortgage Disclosure Act-Loan Application Registers (HMDA-LARs). In December 2011, the Office of the Comptroller of the Currency examination verified the accuracy of the HMDA- LARs by testing the accuracy of the 2009 through 2011 filings.

Reported HMDA loan data was found to be unreliable for 2009, but accurate and reliable for 2010 and 2011. Therefore, HMDA load data was used for 2010, 2011, and year-to-date 2012 as of June 30, 2012.

Selection of Areas for Full-Scope Review

Maspeth's assessment area (AA) is comprised of 753 census tracts ("geographies") in Queens and Nassau Counties. The AA's census tracts are divided into 13 low-income (2 percent), 152 moderate-income (20 percent), 355 middle-income (47 percent), 213 upper-income (28 percent), and 20 are not applicable (N/A) (just under 3 percent) that have not been assigned income classification based upon 2011 HUD updated median-family-income (MFI). The entire AA received a full-scope review for the purposes of this examination. Refer to table in Appendix A for more information.

Ratings

The institution's overall rating is based primarily on activities in Queens County, NY and the northwest portion of Nassau County Metropolitan Divisions (MD's) AAs.

Other

Based upon the 2012 OCC community contact for Queens, NY, the community development opportunities consist of working with the Neighborhood Housing Services (NHS) with the Storeworks program and first-time homebuyer loans. Storeworks properties are mixed use buildings and NHS has developed properties throughout Queens. The community development credit needs are affordable housing assistance, foreclosure prevention, pre- and post-purchase counseling, financial literacy training, and funding for non-profits.

Fair Lending or Other Illegal Credit Practices Review

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during the concurrent examination where we evaluated compliance with consumer laws and regulations. Should the next independent examination find violations of the substantive provisions of the antidiscrimination laws and regulations, we will conduct a new evaluation taking into consideration the evidence of discriminatory or other illegal practices and assign a new rating accordingly.

Conclusions with Respect to Performance Tests

As part of the CRA review, an analysis of the institution's performance under the lending test, investment test and service test was conducted. In consideration of each test, various reviews were performed to assess the institution's level of performance.

LENDING TEST

Under the lending test, the areas reviewed consisted of the institution's lending activity within its assessment area, the geographic distribution of loans, the borrower's profile and evidence that loans were made to all income groups. Additional areas reviewed included the institution's responsiveness to the credit needs of highly economically disadvantaged geographies and individuals, community development lending activities, and the use of innovative and flexible loan products to serve the assessment area credit needs.

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated low satisfactory. It exhibits an adequate record of serving the credit needs of the AA. Lending Activity is rated high satisfactory: a high percentage of loans are made in the AA. Geographic Distribution is rated high satisfactory: a good proportion of the loans were made in low-and-moderate income census tracts. Community Development Lending needs to improve: there was no CD Lending noted for the review period. Use of innovative or flexible lending practices is rated low satisfactory: Maspeth serves the AA's credit needs, though there are no innovative lending practices used to do so.

Lending Activity

For the review period evaluated, Maspeth originated 1,291 loans for \$466.4 million. The institution's lending activity reflects a good response to assessment area credit needs. Lending within the assessment area from both number and dollar volume perspectives is an overall high satisfactory. The table below illustrates the total number and dollar amount of HMDA-reportable loans (home purchase, refinance, home improvement loans, and multifamily) originated inside and outside the assessment area during the 30-month review period ended June 30, 2012.

Concentration of Residential Mortgage Loans						
Originated In and Outside of the Assessment Area						
Loan Type	% Inside Area		% Outside Area		Total	
	#	\$(000)	#	\$(000)	#	\$(000)
Mortgage Loans	56%	55%	44%	45%	1,291	466,408

Compared with the prior CRA review period ended April 13, 2009, the average annual volume of all HMDA reportable loans originated in the assessment area is strong and increased 21.6 percent by number though decreased by 5 percent by dollar amount. This table illustrates that a high percentage of

loans are made in the assessment area by both number and dollar volumes. This assessment area concentration is stable compared to the 58 percent number volume and 55 percent dollar volume noted in the prior review period.

Maspeth faces substantial competition for loans in its assessment area due to the high density of financial institutions in the New York metropolitan area. In 2010, the latest year with aggregate HMDA lender figures available, 278 lenders originated over 30 thousand HMDA-reportable loans totaling \$10.1 billion within the assessment area (versus the 2007 figures of 369 lenders originating over 47 thousand HMDA-reportable loans for \$15.7 billion). The top 10 lenders granted 61.4 percent of the number of HMDA-reportable loans originated and 57.1 percent of the dollars loaned. The institution ranked 13th with nearly 1.2 percent of the market share of home purchase loans originated, 12th with 1.5 percent of refinance loans originated, and 33rd with less than one percent of the home improvement loans originated.

Distribution of Loans by Income Level of the Geography

The geographic distribution of lending is good throughout the assessment area. The table below shows Maspeth's loan originations, categorized by the geographic income level, for the review period and compares this activity to the 2010 peer aggregate lenders.

Distribution of Thrift Residential Mortgage Loans By Census Tract Income Level in the Assessment Area					
Census Tract Income Category	Number of Loans		Dollar Volume		% Owner Occupied
	% of # Loans	% Peer Aggregate	% of Bank	% Peer Aggregate	
Low - All Residential Mortgage Loans	0.00%	0.49%	0.00%	0.50%	0.31%
Home Purchase	0.00%	0.56%			
Refinance	0.00%	0.41%			
Home Improvement	0.00%	0.44%			
Moderate - All Residential Mortgage Loans	20.88%	11.21%	21.18%	11.26%	10.89%
Home Purchase	18.98%	13.33%			
Refinance	17.89%	8.31%			
Home Improvement	0.00%	9.81%			
Middle - All Residential Mortgage Loans	45.19%	50.54%	43.88%	45.57%	50.43%
Home Purchase	43.07%	52.06%			
Refinance	48.68%	49.15%			
Home Improvement	62.50%	48.46%			
Upper - All Residential Mortgage Loans	33.93%	37.69%	34.94%	42.54%	38.37%
Home Purchase	37.95%	34.05%			
Refinance	33.43%	42.12%			
Home Improvement	37.50%	41.29%			
Income Not Available	0.00%	0.06%	0.00%	0.13%	0.00%
Total			100%	100%	

Home Mortgage Loans

Maspeth did not originate any loans in the low-income geographies though the percentage distribution of lending by number and dollar amount in moderate-income geographies for the review period significantly exceeds that of the 2010 HMDA aggregate reporters. The lending percentage distribution in low- and moderate-income geographies compared very well to assessment area demographics.

There is substantial competition for loans in the assessment area. In 2010, 187 lenders originated 3,550 HMDA-reportable loans, totaling \$1.2 billion to borrowers who live in the assessment area's low- and moderate-income geographies. The institution was ranked 10th with 2.26 percent of the assessment area's market share of originated loans to moderate income tracts and 2.5 percent of the market share by dollar amount. The top 10 lenders originated 58 percent of the loans (2,069 loans) and 53 percent of the dollar amount (or \$625.8 million) to low- and moderate-income borrowers.

Lending Gap Analysis

We did not identify any conspicuous gaps in the institution's lending activity and distribution.

Distribution of Loans by Income Level of the Borrower

The percentage distribution of borrowers is adequate among retail customers of different income levels. The table below illustrates loan originations, categorized by borrower income level, that were reported for the review period and compares this activity to the assessment area's 2010 peer aggregate lenders and the family distribution percentage.

Distribution of Thrift Residential Mortgage Loans By Borrower Income Level in the Assessment Area					
Borrower Income Category	Number of Loans		Dollar Volume		% Family Distribution
	% of Bank	% Peer Aggregate	% of Bank	% Peer Aggregate	
Low- All Residential Mortgage	2.20%	0.77%	1.47%	0.74%	21.81%
Home Purchase	0.00%	1.72%			
Refinance	4.23%	3.02%			
Home Improvement	25.00%	7.23%			
Moderate	4.40%	14.32%	2.64%	13.19%	17.24%
Home Purchase	5.14%	13.21%			
Refinance	3.93%	12.34%			
Home Improvement	25.00%	15.25%			
Middle	12.23%	58.81%	8.45%	54.43%	20.09%
Home Purchase	15.11%	31.84%			
Refinance	11.48%	25.20%			
Home Improvement	12.50%	27.36%			
Upper	73.21%	26.06%	72.75%	31.54%	40.87%
Home Purchase	40.87%	53.23%			
Refinance	80.36%	59.44%			
Home Improvement	37.50%	50.16%			
Income Not Available	7.97%	0.04%	14.69%	0.10%	0.00%
Total			100%	100%	100%

Home Mortgage Loans

Maspeth's percentage distribution of lending to low- and moderate-income borrowers by the number of originations compares well with the peer 2010 HMDA aggregate reporters. The distribution of lending percentage to low-income borrowers by dollar amount of originations is also superior to the aggregate peer. However, the lending distribution level to moderate-income borrowers by number and dollar amount is less than the aggregate. Additionally, the distribution levels do not compare well to the family distribution of the assessment area, where 21.8 percent and 17.2 percent of the assessment area is

low- and moderate-income families, respectively, based on 2000 census data. In light of the assessment area demographic, which is predominantly comprised of middle and upper income tracts at more than 75 percent the total assessment area, this appears reasonable.

There is substantial competition for loans in the assessment area. In 2010, 205 lenders originated 6,618 HMDA-reportable loans, totaling \$1.9 billion to the assessment area's low- and moderate-income borrowers. Maspeth originated 100 loans totaling \$32.7 million in 2010 to moderate income borrowers and one loan for \$250 thousand to a low income borrower. The institution was ranked 11th with 1.6 percent of the assessment area's market share of originated loans to borrowers located in moderate-income census tracts and 1.8 percent of the market share by dollar amount. Maspeth's ranking for loans to low income borrowers was 56th with 0.3 percent of the market share of originated loans and 0.25 percent by the dollar amount. The top 10 lenders originated 61 percent of the loans (4,064 loans) and 60 percent of the dollar amount (\$1.14 billion) to low- and moderate-income borrowers.

Community Development Lending

The institution did not originate any community development loans during our CRA review period.

Product Innovation and Flexibility

The institution's performance under the lending test is not enhanced by innovative loan products or more flexible loan programs targeted to low-and-moderate income individuals or geographies. Maspeth FS&LA offers traditional loan products comprised fixed-rate mortgages, refinancing loans, home equity loans, home improvement, and construction, commercial and land acquisition loans.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The rating for the investment test is low satisfactory. The institution has an adequate level of qualified community development investments comprised of donations and grants totaling \$386.8 thousand compared to \$456.4 thousand during the prior CRA evaluation. The institution rarely uses innovative and/or complex investments to support community development initiatives and they are not routinely provided by other private investors. Maspeth exhibits adequate responsiveness to credit and community economic development needs in relation to available opportunities within its assessment area. The majority of the donations and grants were for community development programs that support the assessment area (AA) and low- and moderate-income (LMI) individuals and families. The various programs included affordable housing; revitalization and stabilization of communities; graffiti removal; community crime awareness and criminal justice youth projects; programs and services for LMI veterans; social services; community programs and senior home care for LMI; educational grants and

scholarships for children and youth in LMI; and programs for LMI immigrants and their families that have relocated from their country into the AA.

The top five largest donations and grants were distributed to the following organizations within the assessment area:

- Polonians Organized to Minister to our Community
Polonians Organized to Minister to our Community (POMOC) is a Maspeth-based human services organization that helps thousands of Polish-speaking immigrants who have come to America over recent years and adjust to life and living in New York. The total donations for POMOC organization reached \$144.3 thousand. POMOC assists both long-term residents who unexpectedly find themselves in need as well as low-income families who need counseling services, many of which reside in the institution's assessment area of Queens, NY.
- Greater Ridgewood Restoration Corporation
Greater Ridgewood Restoration Corporation (GRRC) is a non-profit housing consultant established in 1975 to work for the stabilization and improvement of the neighborhoods of Community Board 5 in NY. The investments and donations for GRRC totaled \$62.5 thousand. The neighborhoods include the institution's low or moderate income (LMI) assessment area of Queens and include: Ridgewood, Glendale, Middle Village, and Maspeth. GRRC also lobbies for funds for street tree planting, better enforcement of housing codes, historic designation, and other housing-related issues.
- Maspeth Town Hall
Maspeth Town Hall is a community center that provides free and low-cost educational, recreational, and cultural programs to residents of Maspeth, Middle Village, Glendale, Woodside, Ridgewood, and Elmhurst; all of which are within Maspeth's assessment area. The institution donated a total of \$111.8 thousand during the review period. The majority of the programs run from September through May or June. The activities are targeted to children less than two years of age through senior citizens. The institution's donations throughout the review period demonstrated support of the community development needs serving the LMI community.
- Selfhelp Community Services, Inc.
Selfhelp Community Services, Inc. provides services to enable the elderly and other at risk populations to live in their homes independently and with dignity. Total donations and investments for Selfhelp Community Services reached \$20.2 thousand dollars. The organization has been operating for 75 years to secure independent affordable housing for seniors and serves more than one thousand low- and moderate-income seniors. The six senior centers are located in the institution's assessment area of Queens County in Bayside and Flushing.
- SCO Family of Services
SCO Family of Services is New York's largest child and family services agency that has 60 programs in 102 locations. The organization covers over 60,000 children and families with a variety of needs throughout New York City and Long Island. Donations and investments for the organization totaled \$12.4 thousand during the period. The programs provided include

developmental disability services, homeless services, family counseling and community services, early childhood, foster care and adoption, youth services, mental health services, after school programs in select schools, and operate schools for at-risk teens and special needs children that serve LMI students within the assessment area and surrounding geographical locations.

Maspeth made a reasonable level of contributions to organizations that support activities within the combined assessment area, and its responsiveness to credit and community development needs. On balance, the institution's performance in this area is "Low Satisfactory."

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Based on the products and services offered, reasonableness of delivery systems and extent of involvement in community development services and organizations, the institution is rated "Low Satisfactory."

Retail Banking Services

Retail services are easily accessible to the public through traditional branch offices, ATMs, telephone services, and the Internet. The institution operates six full service branch offices and a loan center in the assessment area. In Queens County, five offices are located in Maspeth, Forest Hills, Fresh Meadows, Rego Park, and Ridgewood. The loan center is located in Maspeth. One branch is located in the Nassau County town of New Hyde Park. These branch locations all offer Saturday banking hours and varying evening hours. In order to accommodate and attract new customers, the institution also expanded its Forest Hills Branch in winter 2011 to include a drive-up window and additional parking lot spaces.

The branch offices offer full services through teller stations and platform personnel, as well as automated teller machines. The institution offers traditional thrift services including a wide choice of deposit and lending products to its customers. Deposit services include transaction accounts for consumers and business customers. Also included are savings accounts, money market and certificates of deposit, individual retirement accounts, and vacation and holiday clubs. Other teller and banking services include money orders, traveler's checks, ATM and debit cards, and direct deposits.

To effectively respond to the credit needs in its community, the institution offers a variety of residential mortgage and construction loans, and multi-family mortgage loans. Consumer loans offered include home equity loans, home improvement loans, and passbook loans.

Community Development Services

Maspeth has participated in community development services by having officers serve on community service organizations and offering programs of benefit to the community. The institution exhibited a role

in providing community development services. Several personnel representing the institution participated in community development organizations. In addition to participating in these activities, most senior bank personnel have served in an officer/director position at an organization.

- The institution has been active with Maspeth Town Hall. This organization provides educational services to children and immigrant adults as well as other social services in the community.

In addition, Maspeth Federal employees participated in “Teach Children to Save Program” visiting classrooms including those located in low-and-moderate income geographies. Employees use their unique set of skills to teach young people about the value of saving and overall financial literacy.

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”).

Time Period Reviewed	Lending Test (excludes CD Loans): January 1, 2010 through June 30, 2012 Investment and Service Tests and CD Loans: April 13, 2009 through August 30, 2012	
Financial Institution	Products Reviewed	
Maspeth FS & LA (Maspeth) Maspeth, NY	Home purchase loans, refinance loans, home improvement loans, and multifamily loans.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
All of Queens County, NY Metropolitan Division (MD) #35644 and the northwest portion of Nassau County (MD) #35004.	Full-Scope Full-Scope	The assessment area (AA) is comprised of 753 census tracts (“geographies”) in the Queens and Nassau Counties. The AA’s census tracts are divided into 13 low-income (2 percent), 152 moderate-income (20 percent), 355 middle-income (47 percent), 213 upper-income (28 percent), and 20 are not applicable (N/A) (just under 3 percent) that have not been assigned income classification based upon 2011 HUD updated median-family-income (MFI).

Appendix B: Market Profiles for Full-Scope Areas

Queens and Nassau Counties AA

Demographic Information for Full-Scope Area: Queens and Nassau Counties MD's AAs						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	753	1.73	20.19	47.14	28.29	2.66
Population by Geography	2,607,511	1.61	24.82	49.27	24.25	0.05
Owner-Occupied Housing by Geography	433,414	0.31	10.89	50.43	38.37	0.00
Businesses by Geography	0	0.00	0.00	0.00	0.00	0.00
Farms by Geography	0	0.00	0.00	0.00	0.00	0.00
Family Distribution by Income Level	640,932	21.81	17.24	20.09	40.87	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	250,259	2.91	33.18	48.82	15.09	0.00
Median Family Income	= \$54,595					
HUD Adjusted Median Family Income for XXXX	= \$74,824					
Households Below the Poverty Level	=13%					
				Median Housing Value	= \$217,952	
				Unemployment Rate	= 3.34%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2011 HUD updated MFI.

Maspeth FS & LA provides banking services through one loan processing center in Queens County and six branch offices; five branches are in Queens County, including the Main Office and one is in adjacent Nassau County, New York. The association operates as a traditional savings and loan association that provides retail banking services, real estate financing, and consumer & commercial banking products.

Maspeth's assessment area (AA) consists of Queens County, NY and the northwest portion of Nassau County. Queens County is located in the New York-White Plains-Wayne, NY-NJ Metropolitan Division (MD) #35644 and Nassau County is in the Nassau-Suffolk, NY MD #35004. These contiguous MDs are located in the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area (MSA) #35620. The assessment area contains 753 census tracts. The assessment area is composed predominantly of 1-4 family units which make up approximately 64 percent of total housing units in the area. Owner-occupied units are located primarily in middle and upper income geographies and rental units are in middle and moderate income geographies.

Queens is the easternmost of the five boroughs of New York City (NYC), the largest in area and the second largest by population. Queens has the second largest and most diversified economy of all the five boroughs of New York City. Immigration has a strong cultural influence on the Queens economy. Over half of the residents in Queens are foreign-born; which is a larger concentration than any other NYC borough. The western portion of Queens is more urban with several business districts while the

remainder of the county shares characteristics with Nassau County, a more suburban area. Residents from both Queens and Nassau Counties commute daily to New York County (Manhattan) for employment purposes. Based upon data from the Bureau of Labor Statistics, unemployment in the assessment areas has trended upward from the previous year as a result of the current weakened economic conditions, weak job market, and rising costs facing the United States. As of July 2012, Queens County unemployment rate was at 9.1 percent compared to 8.3 percent in July 2011. Similarly, Nassau County's unemployment rate increased from 6.9 percent to 7.6 percent year over year.

However, Queens has a growing and vibrant economy that is benefiting from continued public and private sector investments and actions. No single industry overwhelmingly dominates the Queens economy. Two-thirds of all businesses in Queens employ between one and four people, making small businesses an important part of the borough's economic vitality. Major employers in the assessment area include government, public utilities, financial services, shipping and transportation, light manufacturing, wholesale and retail business, major corporations, and smaller private service businesses. Based upon September 2012 updated information provided by the NYC Economic Data Corporation, private employment in the boroughs outside of Manhattan was up 10.8 percent between 2002 and 2011; while Manhattan's private employment was up 5.7 percent over the same period. The sectors that contributed to the increase was employment in the Health Care and Social Assistances which increased by 15 thousand in the boroughs outside of Manhattan between 2009 and 2011; making up one-third of the total private sector jobs added.

There were 239 financial institutions with a total of 27,442 offices in the assessment area as of June 30, 2011. These financial institutions have deposits totaling \$1 trillion, and Maspeth's market share is .12 percent of total deposits in the assessment area. Maspeth's main competition stems locally within its AA and includes Ridgewood Savings Bank, Flushing Savings Bank, Cross County Savings Bank, and Emigrant Savings Bank. These peer banks are relatively comparable in size with the institution and/or offer similar products and services.

There are many community and economic development organizations throughout the assessment area. As part of the CRA assessment a previously made contact in 2012 was reviewed to develop a better understanding of the housing needs of the community and how financial institutions are addressing those needs. The contact indicated that community needs include affordable housing, foreclosure prevention, pre- and post-purchase counseling, financial literacy training and funding for non-profit organizations.

