



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

PUBLIC DISCLOSURE

July 3, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The National Bank of Stamford
Charter Number 2602

1 Churchill Avenue
Stamford, New York 12167

Office of the Comptroller of the Currency
New Jersey Duty Station
830 Morris Turnpike, 2nd Floor
Short Hills, New Jersey 07078

NOTE: 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 Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of The National Bank of Stamford prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of July 3, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

Primary factors supporting the bank's overall rating include:

- The average loan-to-deposit ratio of 59% is adequate considering performance in comparison to peers.
- The majority of residential mortgages and commercial loans are originated within the bank's assessment area.
- The distribution of lending among borrowers reflects a reasonable penetration of loans to small business and to individuals of different income levels.
- The bank's loans are appropriately dispersed throughout the assessment area.

The following table indicates the performance level of The National Bank of Stamford with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>The National Bank of Stamford</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No Since	Complaints the Prior	Received Exam

DESCRIPTION OF INSTITUTION

The National Bank of Stamford (NBS) is located in the western Catskill region of New York, approximately 70 miles southwest of Albany, New York. As of March 31, 1996, total assets were \$82 million, total loans were \$37 million, investments were \$41 million, and total deposits were \$62 million. The loan portfolio is comprised of 48% residential mortgage loans, 17% commercial loans, 14% agricultural loans, 13% other real estate loans, and 8% consumer loans. The bank is wholly owned by Stamford Bank Corp., a one bank holding company.

NBS has a main office in Stamford, New York and one branch in Roxbury, New York. The bank is exempt from the Home Mortgage Disclosure Act (HMDA) reporting requirements as neither the main office or branch is located in a Metropolitan Statistical Area (MSA). Both branches provide a full range of banking services, 24 hour ATM service, and extended hours. Competition from other financial institutions is virtually non-existent within the bank's assessment area.

NBS is not subject to any legal or regulatory restrictions or any other impediments which would preclude the bank from helping to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area is comprised primarily of the towns and villages surrounding the branches located in Stamford and Roxbury. It is comprised of portions of Delaware, Greene, Otsego, and Schoharie counties. The bank's assessment area includes three census tracts within the Albany/Schoharie MSA 0160 (Schoharie county) and eight block numbering areas (BNAs). The BNAs consist of five in Delaware county, two in Greene county, and one in Otsego county. The portion of the MSA which the bank has chosen to include within the assessment area is contiguous to the overall assessment area. The assessment area consists of three (27%) moderate income census tracts and eight (73%) middle income BNAs. The median family income of the assessment area is \$33,642. Housing is primarily owner occupied. An identified credit need of the assessment area includes affordable mortgage lending.

The local economy is centered around the agricultural industry. Additional employment is provided by a few small manufacturers. The local economy remains weak due to a depressed real estate market as development is restricted in the Catskill watershed by the New York City Department of Environmental Protection. Additional factors effecting the economy include the historically low milk and beef prices paid to farmers. Unemployment in the assessment area ranges between 5.5% and 6%.

The population of the entire assessment area approximates 36,000. NBS's assessment area complies with the requirements of the regulation and does not arbitrarily exclude low or moderate income areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan to Deposit Analysis

For the eight calendar quarters since the last CRA examination, dated June 30, 1994, NBS's average loan-to-deposit ratio is 59%. The national peer group average for the same period is 60%. The bank does not sell loans in the secondary market.

Credit Extended Inside the Assessment Area

The majority of the bank's residential mortgage and commercial loan originations are within the bank's assessment area. From July 1, 1994 through June 26, 1996, the bank originated 168 residential mortgages approximating \$6 million and 331 commercial loans approximating \$9 million. Of this total, 88% of the number of loans and 81% of the dollar amount were located within the assessment area.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The distribution of loans reflects a reasonable penetration among borrowers of different income levels and businesses of different sizes. A sample of 40 residential mortgage originations indicates that 8 (20%) were to borrowers with low income, 8 (20%) were to borrowers with moderate income, 8 (20%) were to borrowers with middle income, and 16 (40%) were to upper income borrowers. Within the bank's assessment area, 24% of the families are low income, 22% are moderate income, 25% are middle income, and 29% are upper income. NBS's Call Report dated June 30, 1995 shows that of the 236 small business loans (defined as loans for less than \$1 million) outstanding, 210 were \$100,000 or less, 20 were between \$100,000 and \$250,000, and six were between \$250,000 and \$1,000,000. It also indicates that of the 122 agricultural loans outstanding, 114 were \$100,000 or less and eight were between \$100,000 and \$250,000. The following chart shows the bank's lending to businesses and farms as reported in the June 30, 1995 Call Report.

Percentage of Small Business and Agricultural Loans by Size of Loan						
	Commercial Real Estate		Commercial Loans		Agricultural Loans	
LOAN SIZE	#	\$	#	\$	#	\$
<\$100	77%	48%	93%	66%	93%	68%
\$100M-\$250M	20%	42%	5%	20%	7%	32%
\$250M-\$1MM	3%	10%	2%	14%	0%	0%
TOTALS	100%	100%	100%	100%	100%	100%

A sample of 20 commercial loan originations for the time period July 1, 1994 through June 26, 1996 indicates that 85% were to small businesses (defined as businesses with revenue of less than \$1 million).

Geographic Distribution of Loans

The geographic distribution reflects a reasonable disbursement of loans within the assessment area. There are no low income tracts, 27% of the census tracts and BNAs are moderate income, and 73% are middle income BNAs. Of the 136 mortgage loans originated in the assessment area during the time period of July 1, 1994 through June 26, 1996, 19% were in moderate income census tracts and 81% were in middle income BNAs.

During the concurrent Fair Lending examination, no violations of Fair Lending laws or regulations were identified.