



**GREATER ROCHESTER
COMMUNITY REINVESTMENT COALITION
1 WEST MAIN STREET, SUITE 200
ROCHESTER, NEW YORK 14614**

October 23, 2018

Ronald Castrichini
National Bank Examiner
Office of the Comptroller of the Currency

Via email: Ronald.Castrichini@occ.treas.gov

RE: Canandaigua National Bank & Trust CRA Exam

Dear Mr. Castrichini:

We are writing to you on behalf of the Greater Rochester Community Reinvestment Coalition (GRCRC) to submit comments regarding Canandaigua National Bank & Trust's (CNB) CRA Exam conducted by the Office of the Comptroller of the Currency (OCC) for 2015 through 2017.

The Greater Rochester Community Reinvestment Coalition (GRCRC) was launched in 1993 to generate and continue discussions about lending patterns in Rochester. GRCRC, convened by Empire Justice Center, has met with numerous banks and state and federal regulators during CRA exams and mergers, and submitted dozens of data-driven comments to the appropriate state and federal regulators who have oversight of the banks. GRCRC, Empire Justice Center, and its predecessor organization Public Interest Law Office of Rochester, have released seventeen analyses of home mortgage lending, small business lending, and access to credit over the past 25 years. The organizations use data driven analyses to identify strengths and weaknesses in lending patterns and to generate discussions with the top financial depositories in the Rochester NY MSA.¹

In September, Empire Justice Center met with CNB to review its mortgage lending and small business lending performance. We also touched upon some of its product offerings and some initiatives in which CNB is participating in the Rochester community. Earlier this month GRCRC members met with the OCC examiners to share our perspectives on CNB's mortgage and small business lending, CNB's product offerings, Rochester community needs and investment opportunities. Due to time constraints, we were unable to share a draft of our comment letter with CNB for the bank's input. So, after the GRCRC meeting with the OCC, Empire Justice met with CNB to review what coalition members shared at that meeting, and to

¹ Our most recent analyses are “#AllTogetherNow: Improving Small Business Lending in the Rochester NY Community” (found at: <https://empirejustice.org/wp-content/uploads/2018/01/alltogethernow-s.pdf>) and “Too Big to Fail...Too Poor to Bank: How Mainstream Financial Services Can Help Low-Income Working Families Succeed” (found at: <https://empirejustice.org/wp-content/uploads/2018/09/Access-to-Credit-Report-2018-FINAL.pdf>).

obtain any clarifications or updates from CNB. This letter incorporates much of the information shared at these three meetings.

Canandaigua National Bank & Trust is important to the Rochester metropolitan area. It is the fourth largest depository institution serving the area. As of June 30, 2017, Canandaigua NB&T (CNB) had \$2.13 billion in deposits at its 24 offices in the Rochester area and over 11 percent of the market.² (See Table 1 in Appendix.)

CNB's assessment area in the Rochester MSA includes all of Ontario County (towns of Bristol, Canandaigua, East Bloomfield, Farmington, Gorham, Seneca, Geneva, Hopewell, Manchester, Naples, Phelps, Richmond, Victor, South Bristol, Canadice and West Bloomfield), eastern and central Monroe County (towns of Brighton, Chili, East Rochester, Fairport, Gates, Greece, Henrietta, Irondequoit, Mendon, Penfield, Perinton, Pittsford, Rochester, and Webster), towns along the western border of Wayne County (Macedon, Ontario, and Walworth), towns along the eastern border of Livingston County (Lima and Livonia) and the towns of Italy, Jerusalem, Middlesex and Potter in Yates County.

These comments focus on three areas:

- CNB's HMDA/Mortgage Lending
- CNB's CRA Small Business Lending
- CNB's Response to Community Investment and Service Needs and Opportunities for Investment

CANANDAIGUA NATIONAL BANK'S HMDA LENDING IN MSA and UNDERSERVED COMMUNITIES

Our lending analysis focuses primarily on originated loans. As the exam is for 2015 through 2017, we examine lending from 2014-2017 to capture lending changes for the entire exam period.

This section on CNB's HMDA lending is divided into the following categories:

- Total number and total dollar volume mortgage lending, home purchase mortgage originations
- Application and denial information for total lending and home purchase lending
- CNB's lending compared to its peers

² From the FDIC Market Share 2017 Report, as found at: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>

Canandaigua NB's Total Mortgage Lending

Total Loans

In 2017, CNB originated 1175 loans (1st lien loans on owner-occupied, 1-4 family site built units) in the Rochester MSA compared to 936 loans in 2014, an increase of 26 percent.³ (See Table 2 in Appendix).

As seen in Table 2, while there was a **26 percent increase** in the total number of mortgage loans made by Canandaigua National Bank in the Rochester NY MSA between 2014 and 2017, its lending in only two categories (to Black/Latino households and in low-moderate income census tracts) increased at rates greater than the MSA. Between 2014 and 2017, CNB's lending:

- Decreased by 5 percent in the city.
- Increased by 34 percent among Black/Latino households.
- Increased by 11 percent among low-moderate income households.
- Increased by 36 percent in low-moderate income census tracts
- Increased by 7 percent in majority nonwhite census tracts (50% or more nonwhite residents).

CNB's biggest lending year during the exam period was 2016, with 1251 loan originations in the Rochester MSA. This was the biggest year for all but loans in low-moderate income census tracts and nonwhite census tracts; the number of loans in these categories increased steadily from 2015 to 2017.

CNB's record in increasing the proportion of its lending going to the various targeted areas is mixed (see the bottom section of Table 2). Of the 1175 loans CNB made in 2017,

- 10 percent were in the city compared to 13 percent in 2014
- 4 percent were to Black and Latino households, the same as in 2014
- 30 percent were to low-moderate income households, compared to 33 percent in 2014
- 10 percent were in low-moderate income census tracts compared to 9 percent in 2014
- 4 percent were in nonwhite census tracts, compared to 5 percent in 2014

Canandaigua National Bank's 2017 distribution of loans to these categories is not as good as that of all financial institutions (AFI) in all areas but the city. CNB's distribution of total loans to Black and Latino households, to low-moderate income households, in low and moderate income census tracts and in minority census tracts fell short when compared to AFI.

Total Dollar Volume Lending

In 2017, Canandaigua National Bank originated an aggregate of almost \$206 million in total mortgage lending (1st lien loans on owner-occupied, 1-4 family site built units). As seen by Table

³ The mortgage lending numbers include loans of Canandaigua NB&T and CNB Mortgage Company. Empire Justice Center obtains most of its HMDA LAR Raw Data on the FFIEC website.

3 in the Appendix, this was \$59 million or 40 percent more than CNB's dollar volume of lending in 2014.

CNB's total dollar volume of lending increased in every other category as well, although all but one of the rates of increased lending were lower than the 40 percent increase in the Rochester MSA as a whole. Between 2014 and 2017, CNB's dollar volume of lending **increased by**:

- 20 percent in the city.
- 29 percent among Black/Latino households.
- 21 percent among low-moderate income households.
- 54 percent in low-moderate income census tracts
- 21 percent in nonwhite census tracts.

While CNB's dollar volume of lending declined slightly between 2016 and 2017, by \$11.8 million or 5 percent, most other categories held steady or experienced a substantial increase in aggregate lending.

CNB saw slight decreases in the proportion of its dollar volume of lending going to most categories between 2014 and 2017 (see bottom section of Table 3).

Of the \$206 million CNB originated in the Rochester MSA in 2017,

- 8 percent went to the city, compared to 9 percent in 2014
- 3 percent went to Black and Latino households, compared to 4 percent in 2014
- 18 percent went to low-moderate income households, compared to 21 percent in 2014
- 7 percent went to low-moderate income census tracts, compared to 6 percent in 2014
- 2 percent went to nonwhite census tracts, compared to 3 percent in 2014

When comparing Canandaigua National Bank to all financial institutions (AFI) in 2017, CNB's distribution of its dollar volume of lending to Black and Latino households was lower than that of AFI; CNB's distribution to low and moderate income households was higher than that of AFI; in the city and in low-moderate income and nonwhite census tracts CNB's distribution was similar to that of AFI.

Canandaigua National Bank's Home Purchase Lending

Home Purchase Loan Originations

We also analyzed Canandaigua National Bank's home purchase originations (1st lien loans on owner-occupied, 1-4 family site built units). As can be seen by Table 4 in the Appendix, CNB originated 894 home purchase loans in the Rochester NY MSA in 2017, an increase of 206 loans or 30 percent from 2014.

Changes in CNB's home purchase lending in the city, however, was uneven, resulting in a 9 percent decline between 2014 and 2017. All other areas saw increases between 2015 and 2017, resulting in increased lending in 2017 compared to 2014. Between 2014 and 2017, the number of

home purchase loans originated by CNB:

- Decreased by 9 percent in the city.
- Increased by 47 percent among Black and Latino households.
- Increased by 21 percent among low and moderate income households.
- Increased by 37 percent in low-moderate income census tracts.
- Increased by 7 percent in nonwhite census tracts.

CNB decreased the proportion of its home purchase lending going to the city and to low-moderate income households between 2014 and 2017, while its distribution held steady in the other categories (see bottom section of Table 4).

Of the 894 home purchase loans made by CNB in 2017,

- 11 percent were in the city compared to 16 percent in 2014
- 5 percent were to Black and Latino households compared to 4 percent in 2014
- 32 percent were to low-moderate income households compared to 35 percent in 2014
- 12 percent were in low-moderate income census tracts compared to 11 percent in 2014
- 5 percent were in minority census tracts, compared to 6 percent in 2014

We also compared CNB's 2017 distribution of home purchase lending to that of all financial institutions (AFI). CNB's distribution is similar to that of all financial institutions in the city and in low-moderate income and nonwhite census tracts, but falls short with respect to Black and Latino and low-moderate income households.

Applications and Denials by Race

To get a more complete picture of how well a lender is reaching out to various communities and working to get consumers a loan, it is important to examine application and denial patterns in addition to loan originations. Therefore, we compare Canandaigua National Bank's mortgage loan applications and denial rates for Whites, Blacks, Latinos and Asians. We do this for total applications as well as for home purchase applications.

Total Lending

As seen by the bottom part of Table 2, CNB's total lending denial rates for 2017 for all groups of applicants were similar to the denial rates for 2014. However, as seen by the table below, in 2017 Black applicants were denied loans with CNB more than twice as often as whites, a slightly higher disparity than in 2014. The denial rate for Latinos was slightly less than that of whites and less than a third that of Blacks, and the denial rate of Asians was almost twice that of whites. In 2017, the denial rate for:

- Blacks was 14 percent compared to 12 percent in 2014
- Latinos was 4 percent compared to 5 percent in 2014
- Whites was 7 percent compared to 7 percent in 2014
- Asians was 10 percent compared to 11 percent in 2014

CNB received more applications from all groups in 2017 than in 2014. The ratios of white applicants to applicants of color, however, are still very large. In 2017, CNB received 29 applications from whites for every application from a Black, 52 applications from whites for every application from a Latino, and 14 applications from whites for every application from an Asian.

Home Purchase Lending

As seen by the bottom part of Table 4, CNB's 2017 home purchase loan denial rates are surprising similar to its total lending denial rates—for all groups. However, there are some disturbing numbers with respect to home purchase lending denial rates and applications.

While the denial rate for Black applicants was higher in 2017 than in 2014, denial rates remained about the same for all other groups. Denial rates for both Black and Latino applicants jumped between 2014 and 2015. Then, while declining for Latino applicants through 2017, Black denial rates held steady at the higher rate. In 2017, the denial rate for:

- Blacks was 14 percent, compared to 10 percent in 2014
- Latinos was 5 percent, compared to 7 percent in 2014
- Whites was 5 percent, the same as in 2014
- Asians was 10 percent, compared to 9 percent in 2014

Between 2014 and 2017, the number of home purchase loan applications from all groups increased substantially; and the disparities in the number of home purchase loan applications from whites as compared to others declined. In 2014, CNB received 35 applications from whites for every Black applicant, 49 applications from whites for every Latino applicant, and 34 applications from whites for every Asian applicant. By 2017, these ratios improved; the ratio of white applicants to Black applicants had improved to 25:1, the ratio of whites to Latinos improved to 42:1, and the ratio of whites to Asians improved to 11:1.

While Canandaigua NB is improving its outreach to all communities, the high home purchase and total loan denial rates for Black applicants indicate an opportunity to work with nonprofit community partners to better prepare applicants to become homeowners and to find the right affordable mortgage product.

Canandaigua National Bank's Mortgage Lending Compared to Its Peers

GRCRC believes in the importance of comparing the lending of a bank to its peers. As Canandaigua National Bank is one of the eight largest banks in the Rochester area, we compare its lending to seven of the other top banks in the Rochester MSA. In 2017 Canandaigua National Bank & Trust **ranked fourth in deposits** in the Rochester MSA, with over **11 percent of the market**, so these might be considered benchmarks as well.

It is important to understand this comparison of mortgage lending among bank peers within the context of recent changes in the national and local mortgage lending markets. Since the great

recession, mortgage companies have been doing higher numbers and higher proportions of mortgage lending, while banks have been originating fewer loans and capturing smaller portions of the market. At the national level, in 2016 independent mortgage companies originated 53 percent of home purchase loans, compared to just 35 percent in 2010.⁴ In the Rochester MSA, the top 8 depositories originated just 21 percent in 2016 and 22 percent in 2017 of the area's home purchase loans, compared to 40 percent in 2010, a dramatic decrease in just 6 years. As of 2017, institutions other than the Rochester area's top 8 banks (independent mortgage companies, credit unions, and smaller banks and affiliates) are capturing 78 percent of the home purchase lending market.

Total Mortgage Lending Market Share

Our first comparison is of the total number of mortgage originations by the top 8 banks. As seen on Table 5 in the Appendix, CNB originated 1,175 mortgage loans in 2017, making CNB by far the top lender among the top 8 banks. CNB's 8 percent Rochester MSA market share is slightly lower than its 11 percent depository market share, while the bank's first place ranking among the top 8 banks is better than its fourth place depository market share ranking.

One way a depository can demonstrate its CRA commitment to a community is by maintaining a market share in the various categories similar to or greater than its overall MSA market share. Among these categories, CNB mainly had market shares similar to its MSA total lending market share of 8 percent, falling short in the Black and Latino household market. CNB captured:

- 8 percent of the market in the city, and ranked 1st among the top 8 banks.
- 4 percent of the market among Black and Latino households, and ranked 3rd among the top 8 banks
- 7 percent of the market among low-moderate income households, and ranked 1st among the top 8 banks
- 7 percent of the market in low-moderate income census tracts, and ranked 1st among the top 8 banks.
- 7 percent of the market in nonwhite census tracts, and tied for 1st among the top 8 banks.

CNB's distribution of its total lending among the various communities or categories fell short in every category when compared to the average distribution of the area's top 8 banks. In particular, CNB did not perform as well as the average by the top 8 banks in its distribution of total loans to Black and Latino households, to low and moderate income households, and in low and moderate income census tracts.

Dollar Volume Lending Market Share

In 2017, Canandaigua National Bank made almost \$206 million in mortgage loans in the Rochester MSA, capturing 10 percent of the market and ranking first among the top 8 depositories in the Rochester MSA. (See Table 6 in Appendix.) This is similar to its depository marketshare and better than its depository market share ranking.

⁴ Neil Bhutta, et.al. Sept. 2017. "Residential Mortgage Lending in 2016: Evidence from the Home Mortgage Disclosure Act Data," **Federal Reserve Bulletin** (forthcoming).

Among Rochester's various markets, CNB had a dollar volume lending market share of:

- 11 percent in the city, and ranked 1st among the top 8 banks.
- 5 percent among Black and Latino households, tying for 1st among the top 8 banks
- 8 percent among low-moderate income households, and ranked 1st among the top 8 banks
- 9 percent in low-moderate income census tracts, and ranked 1st among the top 8 banks
- 9 percent in nonwhite census tracts, and ranked 1st among the top 8 banks

GRCRC is very pleased that CNB's dollar volume market share in the city is on target with its depository market share. We would like to see CNB's dollar volume market share in the other categories, particularly among Black and Latino households, grow to get closer to or exceed its depository or MSA lending market share.

CNB's distribution of its dollar volume of lending among most of Rochester's underserved communities was similar to the average distribution of the area's top 8 banks only in the city, in low-moderate income census tracts and in nonwhite census tracts. CNB did not perform as well as the average of the top 8 banks in its distribution of its dollar volume of lending to Black and Latino households and to low and moderate income households.

Home Purchase Lending Market Share

Canandaigua National Bank made 894 home purchase loans (1st lien loans on owner-occupied, 1-4 family site built units) in the Rochester MSA in 2017. This corresponds to 9 percent of the market, making CNB the leading home purchase mortgage lender among the top 8 banks in the Rochester area. (See Table 7 in Appendix.)

CNB's market share in the city, among low and moderate income households, in low and moderate income and in nonwhite census tracts was similar to or greater than its Rochester MSA market share, while its market share among Black and Hispanic households was substantially lower than its MSA market share. CNB had a home purchase lending market share of:

- 10 percent in the city, and ranked 1st among the top 8 banks
- 5 percent among Black and Hispanic households, and ranked 3rd among the top 8 banks
- 8 percent among low-moderate income households, and ranked 1st among the top 8 banks
- 9 percent in low-moderate income census tracts, and ranked 4th among the top 8 banks
- 9 percent in minority census tracts, and tied for 1st among the top 8 banks

CNB's distribution of its home purchase loans to the various categories fell short in every area when compared to the top 8 average distribution. Other top 8 banks captured substantially larger portions of these various markets when compared to their MSA market share, so their distribution of loans to these areas was much larger than that of CNB. These banks were M&T and Five Star.

Conclusion: Canandaigua NB's Mortgage Lending

GRCRC believes that traditionally underserved families and communities benefit more when they obtain mortgages from lenders with a local depository presence than from little-regulated mortgage companies or lenders with no local CRA obligations. It benefits both the borrower and the bank when borrowers develop additional financial relationships with their mortgage lender.

This is why GRCRC is pleased by CNB's strong presence in the Rochester area mortgage lending market during this exam period, particularly its increased home purchase lending, as well as its increased home purchase lending to low-moderate income households and in low-moderate income census tracts. Clearly CNB is on the right track, as reflected in its #1 market share among the area's top 8 banks.

At the same time we are concerned by the relatively modest, slower growth in lending to Black and Latino households, as reflected by the lower market share numbers, the distribution of loans to Black and Latino households, and the still low number of applications from Blacks and Latinos. We urge CNB to work with GRCRC and its member organizations to find ways to reach out to these families.

CANANDAIGUA NB SMALL BUSINESS LENDING

Small Business Lending

Table 8 in the Appendix shows Canandaigua National Bank's CRA small business loans and dollar volume of lending from 2014 to 2017. The 2017 data was provided by CNB, as that year was not yet publicly available.

Number of Small Business Loans

CNB originated 1,179 small business loans in the Rochester MSA in 2017; an increase of 18 percent from 2014. CNB's small business lending also increased to businesses in low-moderate income census tracts, to smaller businesses (with gross annual revenues less than \$1 million) and to these smaller businesses in low-moderate income census tracts.

In 2017, CNB made:

- 266 loans to businesses in low-moderate income census tracts, an increase of 45 percent from 2014
- 581 loans to businesses with gross annual revenues under \$1 million, an increase of 15 percent from 2014
- 110 loans to businesses with gross annual revenues under \$1 million in low-moderate income census tracts, an increase of 38 percent from 2014

Also note that between 2015 and 2016, CNB increased the number of smaller dollar loans (\$100,000 or less) it made to businesses by 35 percent and that it made to businesses in low-moderate income census tracts by 35 percent.

CNB also compared favorably to all financial institutions (AFI) in 2016 in its distribution of small business loans to the different categories. CNB's distribution was better than or similar to that of AFI with respect to loans to businesses in low-moderate income neighborhoods, loans to businesses with gross annual revenues under \$1 million and to these smaller businesses in low-moderate income census tracts, and loans of \$100,000 or less to businesses in low-moderate income census tracts. CNB slightly underperformed AFI in the distribution of its loans of \$100,000 or less.

Dollar Volume of Small Business Lending

CNB did almost \$95 million in small business lending in the Rochester MSA in 2017. As seen at the bottom half of Table 8 in the Appendix, this is 20 percent more than in 2014. CNB's dollar volume of small business lending also increased to businesses in low-moderate income neighborhoods and to businesses with gross annual revenues under \$1 million in low-moderate income census tracts at rates higher than the MSA rate of increase, but it declined to businesses with gross annual revenues under \$1 million.

In 2017, CNB made:

- \$27.9 million in loans to businesses in low-moderate income census tracts, an increase of 109 percent from 2014
- \$27.8 million in loans to businesses with gross annual revenues under \$1 million, a decrease of 20 percent from 2014
- \$6.5 million in loans to businesses with gross annual revenues under \$1 million in low-moderate income census tracts, an increase of 35 percent from 2014

Also note that between 2015 and 2016, CNB increased its dollar volume of smaller dollar loans (\$100,000 or less) by 31 percent and the dollar volume of these smaller dollar loans to businesses in low-moderate income census tracts by 34 percent.

CNB compared favorably to all financial institutions in 2016 with respect to its distribution of its dollar volume of lending of loans of \$100,000 or less and of these smaller loans to businesses in low-moderate income census tracts. CNB slightly underperformed AFI in the proportion of its lending going to businesses in low-moderate income census tracts, to businesses with gross annual revenues under \$1 million, and to these businesses in low-moderate income census tracts.

Canandaigua National Bank's Small Business Lending Compared to Peers

As with the mortgage lending, we compare a bank's small business lending to its peers, the other depositories with the greatest market shares in the Rochester NY MSA. We compare their market shares for 2016 (the last year for which the data is publicly available). Table 9 in the Appendix compares the small business loans, dollar volume lending and market shares for the Rochester MSA's top 8 banks for 2016.

Number of Loans Market Share

In 2016, with 1,226 loans, CNB captured 7.6 percent of the small business lending market in the Rochester MSA, making CNB the 4th largest small business lender among all small business lenders, and 2nd largest among the top 8 banks, in terms of number of loans. (See top part of Table 9.) CNB met or exceeded its overall MSA market share of 7.6 percent in all the small business loan categories. In 2016, CNB had a market share of:

- 8.8 percent among businesses in low-moderate income census tracts, making CNB 2nd among the top 8 banks
- 7.3 percent in loans of \$100,000 or less, making CNB 2nd among the top 8 banks
- 8.3 percent in loans of \$100,000 or less to businesses in low-moderate income census tracts, making CNB 2nd among the top 8 banks
- 7.8 percent among businesses with gross annual revenues under \$1 million, putting CNB 1st among the top 8 banks
- 8.4 percent among businesses with gross annual revenues under \$1 million in low-moderate income census tracts, putting CNB 2nd among the top 8 banks

Dollar Volume Lending Market Share

In 2016, with \$85 million in lending, CNB captured 10.8 percent of the dollar volume of small business lending in the Rochester MSA, making it the 3rd largest dollar volume lender among all lenders and among the top 8 banks. (See the bottom half of Table 9.) CNB's market share in almost every category was similar to or exceeded its overall MSA market share of 10.8 percent, and is similar to its depository market share of 11 percent. In 2016, CNB captured:

- 10.2 percent of the dollar volume of lending to businesses located in low-moderate income census tracts, placing CNB 2nd among the top 8 banks
- 12.6 percent of the dollar volume of lending for loans of \$100,000 or less, placing CNB 1st among the top 8 banks
- 13.4 percent of the dollar volume of lending for loans of \$100,000 or less to businesses with gross annual revenues under \$1 million, placing CNB 1st among the top 8 banks
- 10.2 percent of the dollar volume of lending to businesses with gross annual revenues under \$1 million, placing CNB 3rd among the top 8 banks
- 6.6 percent of the dollar volume of lending to businesses with gross annual revenues under \$1 million located in low-moderate income census tracts, placing CNB 4th among the top 8 banks

Note that in 2016, CNB's average small business loan size was \$69,000, slightly higher than the average loan size for AFI, but smaller than the average for the top 8 banks. In 2015 and 2017, CNB's average loan size was somewhat higher, about \$81,000. While 88 percent of CNB's loans in 2016 were \$100,000 or less, its higher average loan size suggests that, unlike Bank of America and JPMorgan Chase, CNB's lending in this category is not primarily credit card lending.

Small Business Lending Summary

In order to stabilize the economy, create jobs and build wealth in the Rochester community, area businesses need access to responsible credit. GRCRC is pleased that CNB is working to provide that credit, particularly for businesses needing smaller dollar loans, to the area's smaller businesses and to businesses located in low-moderate income tracts.

CANANDAIGUA NB'S COMMUNITY DEVELOPMENT ACTIVITIES

Canandaigua NB shared information with us about its local community development investments, grants and loans over the past three years.

In addition, several GRCRC members shared information with us on local community development needs, how CNB has worked with their organizations to address them, and suggestions on how CNB might continue to help address these needs.

Reinvesting Deposits into the Community

Canandaigua NB&T reinvested a total of \$333.1 million in CRA-eligible loans, grants and investments in the Rochester community between 2015 and 2017, the current CRA exam period. As seen in Table 10 below, this included:

- \$32.3 million in community development loans and investments and CRA-eligible grants serving primarily low- and moderate-income families, individuals and communities
- \$173.8 million in mortgage loans to low-moderate income households and/or in low-moderate income census tracts
- \$127 million in CRA small business loans to businesses in low-moderate income tracts and/or to businesses with gross annual revenues under \$1 million

According to the information provided by the bank, CNB reinvested:

- \$17.8 million in community development lending in the Rochester NY MSA. This included:
 - \$5.6 million for affordable housing
 - \$12.2 million for community services
- \$13.2 million in community development investments in the Rochester MSA, all of which was for economic development
- \$1.3 million in CRA-eligible grants, including:
 - \$418 thousand for affordable housing
 - \$871 thousand for community services

Again, CNB invested a total of \$333.1 million in the Rochester MSA during the current exam period.

Table 10: Canandaigua National Bank and Trust Community Development Lending, Investments and Grants and CRA Eligible Mortgage and Small Business Lending					
Eligible Mortgage and Small Business Lending					
Rochester MSA					
(in thousands)					
2018 Exam Period (2015-2017)					
	Economic Development	Affordable Housing	Neighborhood Stabilization	Community Services	Total
Community Development Loans		\$5,611		\$12,182	\$17,793
Community Development Investments	\$13,235				\$13,235
CRA-Eligible Grants		\$418		\$871	\$1,289
Subtotal	\$13,235	\$6,029		\$13,053	\$32,317
Special Mention: First Time Home Club		\$1,050			\$1,050
Mortgage Lending*		\$173,756			\$173,756
Small Business Lending**	\$127,019				\$127,019
Total	\$140,254	\$179,785	\$0	\$13,053	\$333,092
Note: * Includes all HMDA mortgage originations to low-moderate income households and/or in low-moderate census tracts (unduplicated)					
** Includes CRA Small business loans in low-moderate income census tracts and to businesses with gross annual revenues under \$1 million (unduplicated).					
Numbers, except for mortgage and small business lending, provided by Canandaigua NB&T.					

Taking the \$2.13 billion on deposit in Rochester area Canandaigua NB&T branches in 2017, we estimate that CNB reinvested almost 16 percent of these deposits into the Rochester community during the exam period or 5.2 percent per year. As seen in the table below, CNB has consistently grown its investments in the Rochester community over the three exam periods on which GRCRC has commented.

	Percentage of Canandaigua NB&T's Rochester MSA Deposits Reinvested in Community		
	Deposits (millions)	% Deposits Reinvested	
		Entire Exam Period	Annualized
2018 Exam Period (2015-2017)	\$2,132	15.62%	5.21%
2011 Exam Period (2008-2010)	\$1,447	13.95%	4.65%
2007 Exam Period (2005-2007)	\$1,100	9.40%	3.13%

GRCRC is pleased with CNB's steady growth in its rate of investment in the Rochester community. According to CNB, the bank makes decisions on community development initiatives as a percentage of capital. Given the level of investing in the Rochester community as measured by percentage of deposits reinvested, this is a good methodology for CNB, a bank that is completely located in the Rochester MSA. However, investing as a percentage of capital by the

nation's largest banks is not likely to work out so well for mid-sized cities like Rochester. These large banks are likely to focus on investing in larger MSAs, while ignoring more modest sized communities like Rochester, as well as rural communities.

Specific Community Development Activities

GRCRC members shared with us the following community development activities that CNB is currently supporting.

First Time Home Buyer Programs and Mortgage Products

NeighborWorks Rochester (NWR), an affiliate of NeighborWorks Community Partners, has enjoyed a very robust relationship with Canandaigua National Bank. In fact, NWR has had a successful partnership with the bank in many ways, and look forward to continuing and, hopefully, expanding and enhancing that relationship in the near future. As a non-profit organization, NeighborWorks relies heavily on collaborating with financial institution partners in the area to help accomplish its mission. To that end, Canandaigua National Bank has successfully partnered with the organization on various programs such as First Home Club, Project Reinvest Homeownership Down-Payment Assistance, Homebuyer Education 8-hour class and Homebuyer Orientation sessions.

PathStone Corporation has had a relationship with CNB since the mid-2000s. CNB has supported the organization in sponsorships or direct donations totaling about \$10,000 over the years. In addition, CNB has been active in the **Monroe County Vacant and Abandoned Property Task Force** being both actively involved and supporting sponsorships for events.

Canandaigua National Bank has been a long-time supporter of **The First Time Home Buyer's Program at PathStone**, specifically its participation in The First Home Club since its inception. Unlike many other participating lenders, CNB is more open to accepting clients with less than perfect credit, understanding that the client will work with their housing counselor to make improvements and become mortgage ready prior to closing.

PathStone, however, is concerned First Home Club participants may not get the most appropriate mortgage from CNB. Typically it is an FHA mortgage, but staff members are concerned with some of the terms on the disclosures of CNB's 30/10 product, that it may not be suitable for first time buyers and question the long term performance of these loans.

Empire Justice Center brought up this concern at its follow up meeting with CNB. The bank noted that almost all of its first time homebuyers end up in an FHA loan, including the FHLBNY/First Home Club loans. If an applicant does not qualify for FHA, then they can go into CNB's 30/10 portfolio product. This loan product is amortized over 30 years, but is callable in 10 years, at which time it can be re-amortized for the remaining 20 based on the current rate, or it can be refinanced into a Freddie product, if that makes sense.

GRCRC hopes that CNB will work with PathStone, and the other First Home Club providers, to clarify the terms of its products and to hear any concerns around affordability.

GRCRC asks CNB to consider the following recommendations, or other innovative ways, to increase outreach to traditionally marginalized communities and improve understanding of the various ways to improve affordability:

- That CNB engage its loan officers in a greater level of training of CRA products, down payment assistance grants and incentives, and the use of housing counseling beyond First Home Club. PathStone has offered to provide education and training on the benefits of down payment assistance grants to CNB's team. Down payment assistance grants also require grantees to utilize affordable products with conservative loan-to-value ratios, fixed rates, and escrow accounts which would address concerns stated previously.
- PathStone has seen other lenders dedicate one loan officer to CRA activity allowing that person to become an expert in the resources and opportunities for low to moderate income buyers. As an alternative to training, or in addition to training, CNB could pilot this model.
 - At its meetings with Empire Justice Center CNB shared that the bank requires all loan officers to do CRA loans. While CNB does not have one dedicated loan officer who just does CRA loans, the bank has two loans officers (in city branches) who primarily do CRA loans and are very familiar with the grants etc. CNB agrees that some loan officers serving first time homebuyers would benefit from further education about Rochester first time homebuyer programs. We look forward to having further conversations about this.
- GRCRC is pleased that CNB has a second review process for declined mortgage loans. We also ask CNB, if it is not already doing so, to consider **alternative measures of credit**. According to new research from the Urban Institute, rental payment history is indicative of future mortgage loan performance and should be considered when individuals apply for mortgage loans.⁵ Currently, missed rental payments are taken into account by credit bureaus while on-time payments are disregarded.⁶

At Empire Justice Center's first meeting with CNB, the bank noted that it asked the FHLBNY for more money for First Home Club. In 2016, the bank did 49 First Home Club loans; in 2017, it did 47; so far in 2018, it has done 39, and now has permission from FHLBNY to go to 95.

CNB also shared at that meeting that the bank does a 2nd level review on every home loan application. The bank noted that 40% of its loans are portfolio loans; that the bank has an 80% approval rate on loan applications; and that most applications are builder/realtor referrals.

Language Access

According to **Empire Justice Center**, the number of Latinos living in Monroe County grew from 60,000 in 2016 to 70,000 in 2018, and it is expected to grow to 80,000 in 2020. Part of the recent growth in the Latino population is due to the relocation over the past year of

⁵ <https://www.urban.org/urban-wire/rental-pay-history-should-be-used-assess-creditworthiness-mortgage-borrowers>

⁶ <http://dsnews.com/daily-dose/04-19-2018/rental-payment-history-vs-mortgage-delinquency-risk>

approximately 3,400 U.S. citizens from Puerto Rico to the Rochester area as a result of Hurricane Maria.⁷

The lack of Spanish-speaking staff and no Spanish language website option makes it difficult for the area's large Latino population to feel welcome at CNB. CNB's English-only website makes it difficult for Spanish-speakers to access and understand bank products. Moreover, CNB branches are not diverse and do not reflect the community they are trying to serve. GRCRC urges CNB to put more bilingual-speaking staff in positions that work with the public, ensure that the languages of branch staff and product literature reflect the diversity of the community, and add other language options, starting with Spanish, to its website.

While not a specific LEP initiative, the program, "Juntos Avanzamos" is a concrete example of how some financial institutions (here, community development credit unions) have committed to providing in-language resources to Latino customers.⁸ The program requires participating credit unions to serve Latino communities with bilingual forms and materials, use alternative credit underwriting, have Latinos on their boards of directors, and provide dual-language financial education. This could be a resource to CNB as it works to expand Spanish-language literature and services to Rochester's Latino community.

Safe and Affordable Accounts

In September 2018 **Empire Justice Center** released a report, "Too Big to Fail... Too Poor to Bank: How Mainstream Financial Services Can Help Low-Income Working Families Succeed."⁹ It is a review of traditional bank products and services, as well as those provided by alternative financial services, like check cashers.

The report assessed accounts against the following eight features of safe and affordable bank accounts, which are based on the CFE Fund Bank On National Account Standards as well as feedback from focus groups.¹⁰ These features are:

1. Minimum opening deposit of \$25 or less
2. Monthly maintenance fee of:
 - a. \$5 or less (if not waivable), OR
 - b. \$10 or less (if waivable), and has at least two options to waive fee with single transaction each month (i.e. direct deposit, regular deposit, debit card purchase, or online bill payment)
3. Overdrafts not allowed
4. Free Debit card/Point of Sale (POS) capability
5. Unlimited free withdrawals (via checks, ATMs, or debit card/POS transactions)
6. Free use of in-network ATMs
7. Free online banking

⁷ <https://www.democratandchronicle.com/story/news/2018/09/20/puerto-ricans-find-home-rochester-after-hurricane-maria/1360451002/>

⁸ <http://www.cdcu.coop/initiatives/juntos-avanzamos-together-we-advance/>

⁹ <https://empirejustice.org/wp-content/uploads/2018/09/Access-to-Credit-Report-2018-FINAL.pdf>

¹⁰ Ibid, p. 11.

8. Free mobile banking

The report found that Rochester area banks and credit unions do offer checking and transaction (debit card, no checks) accounts with affordable features. Eight of the top nine Rochester NY area banks and credit unions examined have at least one entry-level checking or transaction account with six or more consumer-friendly, affordable features. However it is not always possible for a customer to identify which of these accounts are safe and affordable for that customer.¹¹

Overdraft Fees and Disclosures

Many customers who live paycheck to paycheck will only avoid costly overdrafts if they have a no overdraft account. Even customers who diligently track every deposit or withdrawal cannot be sure that they have enough money in their account because the logistics of how checks are deposited and cleared make it virtually impossible to do so.¹²

As part of its research for the above report, Empire Justice conducted two focus groups, one of not for profit providers who do financial education, and one of low and moderate income consumers. The lived reality of Rochester consumers reflects the policy research on overdrafts. The focus groups found that many lower income consumers are familiar with a range of options when it comes to financial products and services from traditional banks or credit unions and alternative providers, and understand most of the costs and benefits of the various choices. They often make an informed choice to go with an alternative service provider which clearly posts its fees, as opposed to banks whose overdraft fees, and when they may occur, are very hard to decipher and understand.

In fact, most consumers do not understand the various overdraft options and overdraft/insufficient funds (NSF) fees related to their accounts. They often only learn about them through a direct negative experience, which impacts how they interact with their bank or credit union going forward. The language about overdrafts and overdraft/NSF fees on many bank and credit union websites is wordy and complex, contributing to this lack of understanding. According to a Pew report, three out of four customers who talked to their bank still did not understand the overdraft features.¹³

CNB's website lists three checking accounts. It lists all three accounts in a table making it easy to compare the accounts.¹⁴ None of these accounts appear to have a feature where the customer can opt out of overdrafts. CNB's most basic account does meet some Bank On standards: a minimum opening deposit of \$25, free debit cards, ATM, online and mobile banking. CNB does not have a no overdraft account. CNB offers a line of credit for customers who qualify. Research

¹¹ https://d1y8sb8igg2f8e.cloudfront.net/documents/Are_Banks_Entry-Level_Checking_Accounts_Safe_and_Affordable.pdf

¹² https://d1y8sb8igg2f8e.cloudfront.net/documents/Are_Banks_Entry-Level_Checking_Accounts_Safe_and_Affordable.pdf

¹³ <http://www.pewtrusts.org/en/research-and-analysis/analysis/2018/03/21/customers-can-avoid-overdraft-fees-but-most-dont-know-how>

¹⁴ https://www.cnbk.com/You/Checking/Compare_Checking_Accounts/

of the underbanked and those who live paycheck to paycheck has shown that many would prefer that their debit and point of sale transactions be declined instead of resulting in an overdraft fee.

GRCRC urges CNB to explore providing a no overdraft option to its most affordable checking account. We also recommend that all overdraft options be accompanied by plain language explanations. The NY Federal Reserve Bank found that over 50 percent of city of Rochester residents were subprime. In some zip codes the percentages were higher than 70 percent. A no overdraft account is imperative in serving the un- and underbanked population in the Rochester MSA.

Empire Justice Center has already met with CNB to discuss some of the concerns around affordable accounts and overdraft fees. GRCRC looks forward to working with the bank to explore how the bank can incorporate these recommendations into their products and policies.

Affordable Small Dollar Loans

We recognize that financial education has a role to play in helping lower income consumers budget. However 41 percent of households in Monroe County do not have enough income to afford basic necessities. They live paycheck to paycheck and need safe and affordable small dollar loans to meet emergency and non-emergency credit needs and build assets. Empire Justice Center's report documents the changes in income and working conditions of the 21st century economy that makes it imperative that every financial institution offer such a product. Without affordable and accessible small dollar loans low income residents turn to the multibillion dollar payday loan industry that offers such loans at 400 percent and up.

KeyBank and ESL FCU both offer small dollar loans to their customers. These loans have terms ranging from 6 months to 2 years depending on the interest rate, the client's credit profile and ability to repay. Some financial institutions have piloted these loans in specific branches. They used in-branch offers to fine tune the products with the needs of their customers.

Empire Justice Center gave a copy of the report to CNB. After reading the recommendations, CNB shared that the bank is working on a product. CNB noted that its unsecured home improvement loan is now being advertised in low-moderate income branches and in low-moderate income neighborhoods. The loan can be for as little as \$2500, and it can be used for any home purpose, i.e. water tank, roof, windows.

GRCRC is pleased to hear that CNB is developing a product that could respond to the needs of lower income working families. We would be happy to provide feedback on this product, and to learn more about the home improvement product.

Auto Lending

According to CNB, the bank did \$250 million in auto lending last year. Almost all of its loans are indirect/dealer loans, though the bank does some direct lending as well. The maximum mark up on indirect loans is 2.5%. There is no minimum loan amount or credit score. Seventy percent of the bank's auto loans are used auto loans. CNB does a second review on all declined auto

loans where the credit score is under 620. In addition, the bank does a detailed fair lending analysis on declination and price.

Still, some GRCRC members shared that they are concerned that CNB is no longer doing the number of loans that the bank used to do for lower income borrowers or those with subprime credit. Auto loans are one of the entry points for those wanting to build credit. We hope that in our follow-up meeting with the bank, CNB will share with the coalition some data to address these concerns.

Economic Development

The **City of Rochester** has received two Cities for Financial Empowerment (CFE) Fund planning grants. CNB will be the primary financial institution at the table.

Community Development Opportunities

Below are additional opportunities that GRCRC members have identified. **While we do not expect Canandaigua NB to address all of these, we urge CNB to work with GRCRC members to explore how to increase its impact in the Rochester NY community.**

Affordable Housing and Neighborhood Stabilization

City Roots Community Land Trust (CRCLT) is a community-controlled 501.c.3 with a mission to provide permanently affordable homeownership, rental, and commercial opportunities to income-qualifying families and individuals in the city of Rochester. Roughly 62 percent of Rochester residents are renters. If we are serious about providing homeownership opportunities to a larger pool of people, we need to look beyond the traditional and current approaches. The Community Land Trust model (CLT) is an increasingly utilized tool for expanding homeownership opportunities in an affordable and responsible way. Case in point, a study by the Lincoln Institute of Land Policy found that conventional homeowners were 10 times more likely to be in foreclosure proceedings than CLT homeowners at the end of 2010. Homes which are sold via the Community Land Trust are subsidized in order to make them affordable to a lower-income demographic. That subsidy remains with the home on a permanent basis thereby securing its affordability in perpetuity. CRCLT provides an additional safety net throughout the life of a mortgage and can even step in to make payments should a default occur. GRCRC hopes that Canandaigua National Bank (CNB) will meet with City Roots CLT to consider at least one of these ways in which to support its work:

1. Develop a mortgage product that will work with CLT/shared equity properties. Fannie and Freddie offer guidelines and training regarding shared-equity products and will purchase these mortgages.
2. Commit to making \$1 million in lending for CRCLT mortgages over the next 3 years.
3. Make a grant directly to the CRCLT to be used in increasing the affordability of homes for families at or below 60 percent AMI.

4. Provide funding for a consultant to come to Rochester in order to facilitate the development of a partnership between CRCLT and the Rochester Land Bank. CRA funds were utilized for this purpose in Albany, NY.
5. Offer micro loans/mortgages for CLT homebuyers, so that CRCLT does not have to upcharge to a lender's minimum loan amount when attempting to sell homes at an affordable price.
6. Provide loans or letters of credit to CRCLT for construction and acquisition.

Taproot Collective's vision is a city filled with thriving neighborhoods where youth and families have equitable access to healthy local food, dignified housing, and educational opportunities. Taproot focuses its works in the Marketview Heights neighborhood where First Market Farm is located and in the southwest neighborhoods of Rochester, including the 19th Ward and Genesee-Jefferson. Taproot manages First Market Farm, a community urban farm located at 20 First St. that is connected to a residential rehab project of a two-family home. This model realizes what is possible when organizations and families reclaim and regenerate forgotten land and structures for positive community development. What was once a deteriorated house slated for demolition next to a vacant lot where another home had already been demolished is now a thriving urban farm, teaching space, and source of affordable housing, all on just under ¼ acre. We ask CNB to provide support to Taproot Collective to help the organization expand on this success and replicate this model in more neighborhoods.

More generally, Rochester neighborhoods have great assets in abandoned lots and housing stock. Many vacant houses and adjacent land may sit for years without investment, or are cost prohibitive for potential homeowners in the community. One of the greatest barriers to revitalizing a vacant house is sustainable funding for organizations or individuals to acquire and rehabilitate a property. Large swaths of city blocks may lay fallow and contribute to neighborhood degradation. Grants made available to nonprofit organizations, like Taproot Collective and City Roots CLT, who can steward the innovative use of properties and land in urban neighborhoods can be the catalyst for community-driven development and healthier neighborhoods.

The **Greater Rochester Housing Partnership (GRHP)**, a CDFI, notes that while CNB does participate in mortgages for **HOME Rochester**, the City's acquisition/rehab program, it has originated only 2 out of the 60 mortgages originated since 2015. GRCRC believes CNB can do more. Even though CNB has a very small number of REO properties, GRCRC asks that CNB consider donating them to HOME Rochester.

GRHP's \$15 million **construction financing** program consortium loan pool is currently in its 7th round of funding; it has 2 years left on the 3 year term. CNB is not a participant in this fund, and the bank may have never been asked. GRHP will be asking CNB to participate in the next round.

SONYMA is the lender for vacant property rehab loans but SONYMA needs (an) originating lender(s). GRHP asks CNB to be an originating lender.

GRHP shared that affordable rental tax credit projects are still happening in the Rochester area, both **LIHTC and historic tax credits**. CNB is not involved in LIHTC projects, so this is an opportunity to be explored.

CNB shared at the follow-up meeting with Empire Justice that the bank has talked to GRHP and is planning a follow up meeting. The bank is exploring converting vacant houses into affordable homes. CNB also noted that the bank does loans for affordable rental housing and monitors the rents to make sure they are affordable.

The **19th Ward Community Association** is concerned about the lack of loans being made by CNB to owner-occupants over the past year. According to the association's research, of the 39 mortgages made in the southwest quadrant (where the 19th Ward is located), 32 were to non-owner occupants and only 7 to owner-occupants, of which only 2 were home purchase loans to owner occupants. It was also found that CNB is bundling investor property refinance loans. Of the 13 refinance loans, 7 were loans bundling 2-7 properties. GRCRC asks that CNB address these concerns at the follow-up coalition meeting with the bank.

The **Monroe County Vacant and Abandoned Taskforce (MCVAT)**, of which CNB is a member, shared that CNB may have a low number of foreclosures because the bank, as servicer, does informal loan modifications internally. The preference is for homeowners to have 3rd party counseling to address the whole financial situation and improve longer term financial stability. GRCRC would like CNB to arrange a meeting between MCVAT and CNB's servicing manager to request that a 3rd party counseling system be put in place.

Economic Development

The PathStone Enterprise Center, Inc. (PECI) is a non-profit, 501(c)(3) regional Community Development Corporation organized in 1997 and certified as a Community Development Financial Institution (CDFI) in 1998. PECI is the economic development and lending arm of PathStone Corporation with a service area that includes upstate New York between Buffalo and Syracuse and the western half of Puerto Rico.

PECI has made an aggregate 1,348 loans totaling \$30.6 million, while leveraging an additional \$26.2 million in private funding, and PECI currently has assets of approximately \$13,000,000. The small business loan segment of the portfolio has resulted in over 2,600 jobs created or retained in New York and Puerto Rico. PECI services all of its own loans and PECI's current small business portfolio includes over 180 loans with outstanding balances totaling over \$6,300,000. In FY2017 PECI originated 89 small business loans totaling \$3,880,000 (or an average of just over \$43,000 per loan). Forty-seven of those loans were to businesses owned by minorities.

PECI is capitalized by a variety of government and private funds. PECI is a Micro Lender for SBA and USDA. PECI has received loan and grant capital from New York's Empire State Development that it uses for relending. In addition PECI has received Program Related Investments (long term low interest loans or grants) from six financial institutions and three foundations for the purpose of making loans that they are unable to make in their service areas.

These capital funds in the form of long-term, low interest rate loans as well as operating grants are critical for CDFIs that are providing loans and technical assistance to businesses that are unable to get funded through traditional lenders. GRCRC asks that CNB consider supporting CDFIs in this way.

The mission of the **Venture Jobs Foundation (VJF)** is to invest in businesses that will create new, low and mid skill jobs in higher poverty neighborhoods. This is accomplished primarily by investing in businesses that will directly create such jobs and can train the entering employees, avoiding the need for candidates to receive workforce development or related training. On occasion, VJF may invest in businesses that will create fewer low skill jobs but will bring employees to a higher poverty neighborhood that patronize other businesses that create additional low and mid-skill jobs there from greater customer traffic.

VJF currently offers microloans ranging from \$10,000 to \$50,000, averaging about \$25,000. These are community development loans. The interest rate is 5%, well below market on a risk adjusted basis. The foundation conducts due diligence and does not lend if the borrower candidate has a very high probability of default. The initial loan pool was \$200,000, now about 40% in outstanding loans. VJF is working to build this pool to \$1,000,000, to ensure a reasonable reserve for the next 2-3 years.

VJF has applied for CDFI certification, which it expects to receive late in 2018 or early 2019. When certified, the organization will seek to raise an initial pool of \$3 -\$5 million, to be loaned to larger businesses that can meet its jobs creation mission or who will restore properties that can accept small business tenants – that may include recipients of VJF microloans.

CNB has been very supportive of VJF's programs to date and has provided the most significant functional support to its lending operations. The bank has been a provider of capital for VJF's microloan fund. This was accompanied by funding from JP Morgan Chase, LNB and a private foundation in Rochester. In addition, CNB chairs the loan committee for the microloan fund and has supported its development of loan administration capability, including selection of lending software. CNB also introduced the VJF to retired CNB commercial bankers to volunteer in support of loan marketing and due diligence activities.

GRCRC is optimistic that CNB will provide additional capital to VJF to expand its microlending capacity after it becomes certified as a CDFI. This funding could act as seed money to encourage other banks to invest.

A related VJF program, to increase the readiness for capital of lower tech, community entrepreneurs, is the **Jobs Kitchen** accelerator. This 9 week, mentor-intensive program has thus far loaned about \$60,000 to its graduates.

The higher poverty neighborhoods in which VJF works have been underserved by capital providers at many levels. For business loans, the VJF microlending and future CDFI lending will bring capital to borrowers who do not qualify for commercial loans. VJF believes that the appropriate vehicle for such lending is **grant capital**. When a grant is made, participating

commercial lenders do not carry on their books a receivable that negatively impacts the risk profile desired by regulators who desire high quality lender loan books.

We urge CNB to work together with GRCRC members, other banks and municipal and state governments to develop a significant grant pool of \$2 - \$5 million, intended for higher risk community development loans. If formed, it could be allocated to operating, qualified community lenders to address the need for higher risk lending without impacting the quality of commercial lending portfolios.

In addition to business lending and mentoring, the low-moderate income neighborhoods served by VJF need more **personal financial/banking services**, including ATM availability. VJF has discussed this with CNB conceptually and found the bank to be receptive to supporting a program where commercial bankers would hold hours in one or more locations that are part of a VJF community development effort. GRCRC urges CNB to continue exploring this opportunity.

These personal financial/banking services could be part of small **service centers** in neighborhoods where VJF makes its loans. These services could be volunteer-based in most part, and would include banking/financial advisory services, wellness services and potentially tax and legal counsel. Experiences at one or two pilot sites could drive future planning. When VJF has those planning conversations, CNB will be included.

REDCO (Rochester Economic Development Corporation) is putting together a pre-development loan fund, which can be used for commercial or mixed use as pre-commercial financing in targeted commercial corridors. CNB has been at the table—forward thinking and challenging other banks. The funding is not sourced yet. This is an opportunity for CNB to be a lead funder on this new initiative.

Community Services

Consumer Credit Counseling Service of Rochester (CCCS of Rochester) is a non-profit credit counseling agency, accredited through the National Foundation for Credit Counseling (NFCC), which has served the Rochester, NY community since 1970. Its mission is to provide confidential counseling, educational services and other solutions enabling its clients to achieve financial peace of mind. Additionally CCCS aims to be the most trusted resource for financial literacy education and services that enable individuals and the communities it serves to achieve their financial goals.

Nearly 78 percent of the consumers who utilize the services of CCCS of Rochester have incomes below the low-moderate income threshold for the Rochester MSA. Among the primary financial goals of these clients are homeownership and debt repayment. Unfortunately, low credit scores, lack of established credit, and mismanaged debt are common challenges that present barriers for these clients. Consequently, CCCS of Rochester offers targeted services to address its client's needs in an effective manner. Through education and timely interventions the organization helps roughly 11,000 clients each year become well positioned for responsible borrowing.

CCCS of Rochester accomplishes this, first, by offering financial education that is accurate, relevant, suitable, and empathetic so consumers become empowered to make decisions that lead to positive financial outcomes. Each year, it offers over 250 outreach and education events to virtually every segment of the community. Offered in conjunction with other non-profit agencies, schools, colleges, faith-based organizations, and employers the organization improves financial capabilities through various delivery methods – workshops, on-going classes, program integration, and coaching. CNB has worked with CCCS in doing financial education workshops.

In addition to financial education, CCCS of Rochester staff supports clients through one-on-one financial counseling. Knowing that today's consumers deal with numerous financial challenges, it offers counseling in several areas – budget and credit counseling, first-time homebuyer counseling, foreclosure prevention counseling, bankruptcy counseling, and student loan counseling. The outcome of a majority of this counseling is the repayment of debt and the establishment of on-time payment history – two critical factors for better credit scores and credit worthiness. In 2017, CCCS clients repaid more than \$13 million through our debt repayment plans.

While CCCS of Rochester believes that one-time financial education workshops help increase awareness in consumers about various issues, to have a longer term impact on consumer behavior, savings and wealth, CCCS believes that more one-on-one financial counseling is needed. CNB could partner with CCCS by referring customers who have been declined for loans or who are experiencing financial struggles (i.e. large numbers of overdrafts/NSFs) to CCCS for counseling. The bank could also provide financial support to pay for financial counseling staff.

CCCS of Rochester also has a used auto loan program with **Genesee Co-op FCU** for people who have gone through CCCS's workforce development program and now need a reliable used car to get to work. ESL FCU helps fund the loan loss reserve. This could be another initiative that CNB supports.

Finally, CCCS of Rochester's first-time homebuyer education and counseling is optimally designed to move low-moderate income renters into homeownership. The barriers for individuals desiring homeownership continue to be two primary factors – savings and credit scores. As an approved agency through the Federal Home Loan Bank of New York, CCCS of Rochester participates in a match-grant program known as the First Home Club. For every dollar a participant saves, they receive a match of four dollars towards their down payment and closing costs – making it significantly more feasible to reach the necessary savings levels. Moreover, day-to-day participation in credit counseling enables them to receive expert-level education and individualized counseling on credit score improvement. Staff pulls credit reports and scores for each client counseled and develops specific action plans based on the client's circumstances and credit profile. This capability positions CCCS of Rochester uniquely as a housing counseling agency that can most effectively assist low-moderate income first-time homebuyers. Five Star Bank has been a strong referral partner for this program.

GRCRC recommends that CNB explore supporting one or more of these CCCS of Rochester programs.

CONCLUSION

GRCRC is pleased to see how CNB has consistently grown the percentage of deposits the bank reinvestments in the Rochester community over the three exam periods on which GRCRC has commented, as well as its dollar volume of community development lending and investments and CRA-qualified grants.

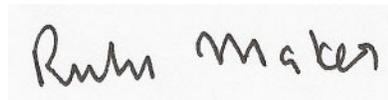
More specifically, our coalition is pleased by Canandaigua NB's strong presence in the Rochester area mortgage lending market during this exam period, particularly with respect to home purchase lending to low-moderate income families and communities. Clearly CNB is on the right track, as reflected in its #1 lending market share among the area's top 8 banks. At the same time GRCRC is concerned by the relatively modest, slower growth in mortgage lending to Black and Latino households. We have shared some ideas in this letter for how CNB might better serve first time homebuyers, particularly those from communities of color.

With respect to loans to Rochester-area businesses, CNB provides CRA small business loans at levels in line with its presence in the community, particularly for businesses needing smaller dollar loans, to the area's smaller businesses and to businesses located in low-moderate income tracts.

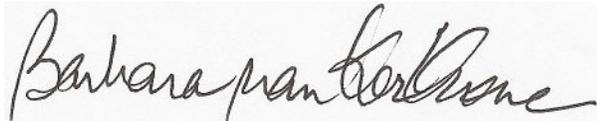
GRCRC is committed to fostering productive relationships with all financial institutions in the belief that the goal of meeting the credit needs of traditionally underserved communities is compatible with safe, sound, and profitable lending practices. That is why we have provided a variety of opportunities in this letter for CNB to consider.

Canandaigua NB and GRCRC will be arranging a follow-up meeting to share additional information about local opportunities and to further develop our relationship. If you have any questions please feel free to contact us. We can be reached at 585-454-4060.

Sincerely,



Ruhi Maker, Esq.



Barbara van Kerkhove, Ph.D.
Researcher/Policy Analyst

CC: Linnzi Fagnani, OCC (linnzi.fagnani@occ.treas.gov)
Brian Pasley, CNB (BPasley@CNBank.com)

Appendix: Depository Market Share, Lending and Investment Tables

Table 1: Offices and Deposits of all FDIC-Insured Institutions										
Deposit Market Share Report										
Deposits as of: June 30, 2017										
Selected Market										
ROCHESTER, NY MSA										
						Outside of Market		Inside of Market		
Rank	Institution Name	CERT	State (Hqtrd)	Bank Class	State/ Federal Charter	No. of Offices	Deposits \$000	No. of Offices	Deposits \$000	Market Share
1	Manufacturers and Traders Trust Company	588	NY	SM	State	800	90,769,066	31	4,210,015	22.45%
2	JPMorgan Chase Bank, National Association	628	OH	N	Federal	5,258	1,267,382,520	26	2,734,477	14.58%
3	KeyBank National Association	17534	OH	N	Federal	1,200	102,818,569	35	2,525,645	13.47%
4	The Canandaigua National Bank and Trust Company	6985	NY	N	Federal	0	0	24	2,131,695	11.37%
5	Citizens Bank, National Association	57957	RI	N	Federal	792	86,277,138	33	1,637,850	8.73%
6	Bank of America, National Association	3510	NC	N	Federal	4,589	1,268,817,003	14	1,333,697	7.11%
7	Five Star Bank	659	NY	SM	State	31	2,045,140	22	1,100,509	5.87%
8	The Lyons National Bank	7151	NY	N	Federal	3	93,425	11	805,523	4.30%
9	Community Bank, National Association	6989	NY	N	Federal	208	8,054,064	19	649,554	3.46%
10	The Bank of Castile	13292	NY	NM	State	9	659,349	10	495,252	2.64%
11	Genesee Regional Bank	26333	NY	NM	State	0	0	3	458,822	2.45%
12	Fairport Savings Bank	30056	NY	SB	State	0	0	5	201,840	1.08%
13	USNY Bank	58541	NY	NM	State	2	134,735	2	159,864	0.85%
14	The Upstate National Bank	13748	NY	N	Federal	2	21,512	1	80,445	0.43%
15	Northwest Bank	28178	PA	SB	State	168	8,044,285	4	77,983	0.42%
16	Generations Bank	16040	NY	SB	Federal	6	157,726	3	49,785	0.27%
17	Medina Savings and Loan Association	30547	NY	SL	State	0	0	1	48,140	0.26%
18	Savannah Bank National Association	14619	NY	N	Federal	4	102,246	1	27,312	0.15%
19	Steuben Trust Company	12936	NY	NM	State	12	412,715	2	20,863	0.11%
20	Woodforest National Bank	23220	TX	N	Federal	743	4,544,958	3	3,882	0.02%
	Number of Institutions in the Market: 20				TOTALS	13,827	2,840,334,451	250	18,753,153	100

Table 2: Canandaigua National Bank Total Mortgage Lending 2014-2017

Rochester, NY MSA

(1st lien loans on owner-occupied, 1-4 family, site built units)

					2016-2017		2014-2017	
	2014	2015	2016	2017	# change	% change	# change	% change
MSA	936	1130	1251	1175	-76	-6%	239	26%
City	120	105	127	114	-13	-10%	-6	-5%
Black/Latino HH	38	38	51	51	0	0%	13	34%
Low-Mod Income HH	313	357	349	347	-2	-1%	34	11%
Low-Mod Income CT	87	74	96	118	22	23%	31	36%
Majority Non-White CT	46	36	40	49	9	23%	3	7%
					AFI			
% of loans in:	2014	2015	2016	2017	2017			
City	13%	9%	10%	10%	9%			
Black/Latino HH	4%	3%	4%	4%	8%			
Low-Mod Income HH	33%	32%	28%	30%	34%			
Low-Mod Income CT	9%	7%	8%	10%	12%			
Majority Non-White CT	5%	3%	3%	4%	5%			
Denials %	2014	2015	2016	2017				
White	7%	7%	6%	6%				
Black	12%	23%	14%	14%				
Latino	5%	15%	8%	4%				
Asian	11%	5%	9%	10%				
Applications by race								
	2014	2015	2016	2017				
White	1040	1263	1330	1201				
Black	26	31	37	42				
Latino	20	20	24	23				
Asian	27	22	54	86				
Race Unknown	5	5	6	4				

Note: Numbers include data from Canandaigua National Bank and Trust and CNB Mortgage Company.

Table 5: Top 8 Banks Total Mortgage Originations 2017

Rochester, NY MSA

(1st lien loans on owner-occupied, 1-4 family, site built units)

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	15,144	188	1,175	229	299	154	298	405	445	3,193	11,951
City	1,378	23	114	30	51	16	36	5	77	352	1,026
Black/Latino HH	1,200	18	51	35	55	13	29	11	71	283	917
Low-Mod Income HH	5,125	45	347	88	133	49	144	138	213	1,157	3,968
Low-Mod Income CT	1,785	24	118	40	66	15	43	62	72	440	1,345
Majority Non-White CT	704	11	49	21	34	8	15	2	48	188	516
MARKETSHARE											
		BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA		1%	8%	2%	2%	1%	2%	3%	3%	21%	79%
City		2%	8%	2%	4%	1%	3%	0%	6%	26%	74%
Black/Latino HH		2%	4%	3%	5%	1%	2%	1%	6%	24%	76%
Low-Mod Income HH		1%	7%	2%	3%	1%	3%	3%	4%	23%	77%
Low-Mod Income CT		1%	7%	2%	4%	1%	2%	3%	4%	25%	75%
Majority Non-White CT		2%	7%	3%	5%	1%	2%	0%	7%	27%	73%
Loans as %											
of MSA TOTAL IN:	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
City	9%	12%	10%	13%	17%	10%	12%	1%	17%	11%	9%
Black/Latino HH	8%	10%	4%	15%	18%	8%	10%	3%	16%	9%	8%
Low-Mod Income HH	34%	24%	30%	38%	44%	32%	48%	34%	48%	36%	33%
Low-Mod Income CT	12%	13%	10%	17%	22%	10%	14%	15%	16%	14%	11%
Majority Non-White CT	5%	6%	4%	9%	11%	5%	5%	0%	11%	6%	4%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2017 Dynamic National Loan-Level Dataset, as of 7/30/2018, at: <https://ffiec.cfbp.gov/data-publication/dynamic-national-loan-level-dataset>.

Prepared by: Empire Justice Center, 585-454-4060

Table 6: Top 8 Banks Dollar Amount HMDA Lending 2017

Rochester, NY MSA

Aggregate Amount of Loans (000's) (1st lien loans on owner-occupied, 1-4 family, site built units)

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	\$ 2,139,958	\$ 32,039	\$ 205,851	\$ 30,974	\$ 31,503	\$ 25,248	\$ 36,362	\$ 63,959	\$ 60,020	\$ 485,956	\$ 1,654,002
City	\$ 141,070	\$ 3,113	\$ 15,898	\$ 2,593	\$ 4,090	\$ 1,412	\$ 3,085	\$ 397	\$ 6,762	\$ 37,350	\$ 103,720
Black/Latino HH	\$ 136,409	\$ 2,408	\$ 6,698	\$ 3,784	\$ 4,628	\$ 1,247	\$ 3,062	\$ 1,097	\$ 7,177	\$ 30,101	\$ 106,308
Low-Mod Income HH	\$ 492,896	\$ 4,085	\$ 36,980	\$ 7,908	\$ 10,022	\$ 4,421	\$ 13,218	\$ 12,683	\$ 20,252	\$ 109,569	\$ 383,327
Low-Mod Income CT	\$ 153,717	\$ 2,140	\$ 14,330	\$ 3,242	\$ 4,849	\$ 1,252	\$ 3,251	\$ 5,468	\$ 5,696	\$ 40,228	\$ 113,489
Majority Non-White CT	\$ 53,276	\$ 868	\$ 4,718	\$ 1,580	\$ 2,341	\$ 481	\$ 939	\$ 117	\$ 3,198	\$ 14,242	\$ 39,034

MARKETSHARE

	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	1%	10%	1%	1%	1%	2%	3%	3%	23%	77%
City	2%	11%	2%	3%	1%	2%	0%	5%	26%	74%
Black/Latino HH	2%	5%	3%	3%	1%	2%	1%	5%	22%	78%
Low-Mod Income HH	1%	8%	2%	2%	1%	3%	3%	4%	22%	78%
Low-Mod Income CT	1%	9%	2%	3%	1%	2%	4%	4%	26%	74%
Majority Non-White CT	2%	9%	3%	4%	1%	2%	0%	6%	27%	73%

Loans as %

of MSA TOTAL IN:	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
City	7%	10%	8%	8%	13%	6%	8%	1%	11%	8%	6%
Black/Latino HH	6%	8%	3%	12%	15%	5%	8%	2%	12%	6%	6%
Low-Mod Income HH	23%	13%	18%	26%	32%	18%	36%	20%	34%	23%	23%
Low-Mod Income CT	7%	7%	7%	10%	15%	5%	9%	9%	9%	8%	7%
Majority Non-White CT	2%	3%	2%	5%	7%	2%	3%	0%	5%	3%	2%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2017 Dynamic National Loan-Level Dataset, as of 7/30/2018, at: <https://ffiec.cfbp.gov/data-publication/dynamic-national-loan-level-dataset>.

Prepared by: Empire Justice Center, 585-454-4060

Table 7: Top 8 Banks Home Purchase Originations 2017

Rochester, NY MSA

(1st lien home purchase loans on owner-occupied, 1-4 family, site built units)

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA	10,348	140	894	142	131	102	181	281	356	2,227	8,121
City	999	19	99	23	47	9	28	4	68	297	702
Black/Latino HH	911	14	44	26	52	10	26	6	66	244	667
Low-Mod Income HH	3,712	33	290	56	82	32	98	100	184	875	2,837
Low-Mod Income CT	1,249	19	107	31	48	9	30	38	66	348	901
Majority Non-White CT	514	9	46	17	32	6	12	2	46	170	344
MARKETSHARE											
		BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
MSA		1%	9%	1%	1%	1%	2%	3%	3%	22%	78%
City		2%	10%	2%	5%	1%	3%	0%	7%	30%	70%
Black/Latino HH		2%	5%	3%	6%	1%	3%	1%	7%	27%	73%
Low-Mod Income HH		1%	8%	2%	2%	1%	3%	3%	5%	24%	76%
Low-Mod Income CT		2%	9%	2%	4%	1%	2%	3%	5%	28%	72%
Majority Non-White CT		2%	9%	3%	6%	1%	2%	0%	9%	33%	67%
Loans as %											
of MSA TOTAL IN:	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
City	10%	14%	11%	16%	36%	9%	15%	1%	19%	13%	9%
Black/Latino HH	9%	10%	5%	18%	40%	10%	14%	2%	19%	11%	8%
Low-Mod Income HH	36%	24%	32%	39%	63%	31%	54%	36%	52%	39%	35%
Low-Mod Income CT	12%	14%	12%	22%	37%	9%	17%	14%	19%	16%	11%
Majority Non-White CT	5%	6%	5%	12%	24%	6%	7%	1%	13%	8%	4%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2017 Dynamic National Loan-Level Dataset, as of 7/30/2018, at: <https://ffiec.cfbp.gov/data-publication/dynamic-national-loan-level-dataset>.

Prepared by: Empire Justice Center, 585-454-4060

Table 8: Canandaigua National Bank Small Business Lending 2014-2017

Rochester NY MSA (Inside and Outside Assessment Area)

Rochester NY MSA (Inside and Outside Assessment Area)								
Number of Loans	2014	2015	2016	2017	2016-2017	2016-2017	2014-2017	2014-2017
					# change	% change	# change	% change
Number of Loans Ranking		6	4					
Rochester MSA Total	999	984	1,226	1,179	-47	-4%	180	18%
Rochester MSA in LMI CT	184	177	226	266	40	18%	82	45%
Loan Amt <= \$100,000		823	1,074		251	30%		
Loan Amt <= \$100,000 in LMI CT		141	190		49	35%		
Bus. w. GAR < \$1 M	504	491	583	581	-2	0%	77	15%
Bus. w. GAR < \$1 M in LMI CT	80	79	99	110	11	11%	30	38%
					AFI			
% of Rochester MSA Loans In:	2014	2015	2016	2017	2016			
Rochester MSA in LMI CT	18%	18%	18%	23%	16.0%			
Loan Amt <= \$100,000		84%	88%		90.8%			
Loan Amt <= \$100,000 in LMI CT		14%	15%		14.2%			
Bus. w. GAR < \$1 M	50%	50%	48%	49%	46.6%			
Bus. w. GAR < \$1 M in LMI CT	8%	8%	8%	9%	7.3%			
Aggregate Amount of Loans (Millions of Dollars)								
Dollar Volume of Lending Ranking	2014	2015	2016	2017	2016-2017	2016-2017	2014-2017	2014-2017
					# change	% change	# change	% change
Dollar Volume of Lending Ranking		3	3					
Rochester MSA Total	\$79.11	\$79.43	\$84.96	\$94.91	\$9.95	12%	\$15.80	20%
<i>Avg Loan Size (in thousands)</i>		\$80.72	\$69.30	\$80.50	\$11.20	16%		
Rochester MSA in LMI CT	\$13.32	\$16.30	\$15.50	\$27.91	\$12.41	80%	\$14.59	109%
Loan Amt <= \$100,000		\$21.03	\$27.52		\$6.49	31%		
Loan Amt <= \$100,000 in LMI CT		\$3.61	\$4.84		\$1.23	34%		
Bus. w. GAR < \$1 M	\$34.91	\$28.23	\$26.28	\$27.81	\$1.53	6%	-\$7.10	-20%
Bus. w. GAR < \$1 M in LMI CT	\$4.82	\$5.74	\$2.77	\$6.51	\$3.75	136%	\$1.69	35%
					AFI			
% of Rochester MSA Loans In:	2014	2015	2016	2017	2016			
Rochester MSA in LMI CT	17%	21%	18%	29%	19.3%			
Loan Amt <= \$100,000		26%	32%		27.7%			
Loan Amt <= \$100,000 in LMI CT		5%	6%		4.6%			
Bus. w. GAR < \$1 M	44%	36%	31%	29%	32.6%			
Bus. w. GAR < \$1 M in LMI CT	6%	7%	3%	7%	5.3%			

Notes: 2017 data is from Canandaigua NB, as public CRA small business lending data is not yet out. Changes for loan amt<=\$100,00 are for 2015-2016.

Table 9: Top 8 Banks Small Business Lending, 2016

Top 8 Depositories, Rochester, NY MSA

Number of Loans											
	AFI	BOA	CNB	Citizens	FNFG	Five Star	JPMC	KeyBank	M&T	Top 8	OFI
<i>Number of Loans Ranking</i>		6	4	11	12	10	2	17	9		
Rochester MSA Total	16,128	1,072	1,226	307	300	746	1,792	218	853	6,514	9,614
Rochester MSA in LMI CT	2,581	184	226	52	76	90	228	32	179	1,067	1,514
Loan Amt <= \$100,000	14,647	1,023	1,074	286	265	551	1,748	185	414	5,546	9,101
Loan Amt <= \$100,000 in LMI CT	2,298	179	190	47	67	64	220	19	90	876	1,422
Bus. w. GAR < \$1 M	7,510	532	583	251	204	527	12	132	441	2,682	4,828
Bus. w. GAR < \$1 M in LMI CT	1,176	101	99	46	61	58	2	20	87	474	702
Marketshare											
	AFI	BOA	CNB	Citizens	FNFG	Five Star	JPMC	KeyBank	M&T	Top 8	OFI
Rochester MSA Total		6.6%	7.6%	1.9%	1.9%	4.6%	11.1%	1.4%	5.3%	40.4%	59.6%
Rochester MSA in LMI CT		7.1%	8.8%	2.0%	2.9%	3.5%	8.8%	1.2%	6.9%	41.3%	58.7%
Loan Amt <= \$100,000		7.0%	7.3%	2.0%	1.8%	3.8%	11.9%	1.3%	2.8%	37.9%	62.1%
Loan Amt <= \$100,000 in LMI CT		7.8%	8.3%	2.0%	2.9%	2.8%	9.6%	0.8%	3.9%	38.1%	61.9%
Bus. w. GAR < \$1 M		7.1%	7.8%	3.3%	2.7%	7.0%	0.2%	1.8%	5.9%	35.7%	64.3%
Bus. w. GAR < \$1 M in LMI CT		8.6%	8.4%	3.9%	5.2%	4.9%	0.2%	1.7%	7.4%	40.3%	59.7%
Percentage of Rochester MSA Loans In:											
	AFI	BOA	CNB	Citizens	FNFG	Five Star	JPMC	KeyBank	M&T	Top 8	OFI
Rochester MSA in LMI CT	16.0%	17.2%	18.4%	16.9%	25.3%	12.1%	12.7%	14.7%	21.0%	16.4%	15.7%
Loan Amt <= \$100,000	90.8%	95.4%	87.6%	93.2%	88.3%	73.9%	97.5%	84.9%	48.5%	85.1%	94.7%
Loan Amt <= \$100,000 in LMI CT	14.2%	16.7%	15.5%	15.3%	22.3%	8.6%	12.3%	8.7%	10.6%	13.4%	14.8%
Bus. w. GAR < \$1 M	46.6%	49.6%	47.6%	81.8%	68.0%	70.6%	0.7%	60.6%	51.7%	41.2%	50.2%
Bus. w. GAR < \$1 M in LMI CT	7.3%	9.4%	8.1%	15.0%	20.3%	7.8%	0.1%	9.2%	10.2%	7.3%	7.3%
Total Amount of Loans (Millions of Dollars)											
	AFI	BOA	CNB	Citizens	FNFG	Five Star	JPMC	KeyBank	M&T	Top 8	OFI
<i>Dollar Volume of Lending Ranking</i>		6	3	15	9	2	5	12	1		
Rochester MSA Total	\$787.95	\$33.64	\$84.96	\$12.90	\$19.50	\$92.62	\$39.10	\$16.91	\$206.27	\$505.89	\$282.06
<i>Avg Loan Size (in thousands)</i>	\$48.86	\$31.38	\$69.30	\$42.00	\$64.98	\$124.15	\$21.82	\$77.55	\$241.82	\$77.66	\$29.34
Rochester MSA in LMI CT	\$151.74	\$4.99	\$15.50	\$2.42	\$5.34	\$14.72	\$6.90	\$6.83	\$41.44	\$98.13	\$53.61
Loan Amt <= \$100,000	\$218.14	\$15.72	\$27.52	\$7.16	\$6.43	\$20.62	\$20.34	\$3.67	\$15.88	\$117.33	\$100.81
Loan Amt <= \$100,000 in LMI CT	\$36.13	\$2.61	\$4.84	\$1.36	\$1.85	\$2.37	\$3.34	\$0.55	\$3.79	\$20.70	\$15.43
Bus. w. GAR < \$1 M	\$256.92	\$8.48	\$26.28	\$7.92	\$9.98	\$36.11	\$1.20	\$4.97	\$56.98	\$151.93	\$104.99
Bus. w. GAR < \$1 M in LMI CT	\$42.12	\$1.72	\$2.77	\$1.91	\$3.95	\$5.51	\$0.08	\$1.60	\$8.29	\$25.81	\$16.31
Marketshare											
	AFI	BOA	CNB	Citizens	FNFG	Five Star	JPMC	KeyBank	M&T	Top 8	OFI
Rochester MSA Total		4.3%	10.8%	1.6%	2.5%	11.8%	5.0%	2.1%	26.2%	64.2%	35.8%
Rochester MSA in LMI CT		3.3%	10.2%	1.6%	3.5%	9.7%	4.5%	4.5%	27.3%	64.7%	35.3%
Loan Amt <= \$100,000		7.2%	12.6%	3.3%	2.9%	9.5%	9.3%	1.7%	7.3%	53.8%	46.2%
Loan Amt <= \$100,000 in LMI CT		7.2%	13.4%	3.8%	5.1%	6.6%	9.3%	1.5%	10.5%	57.3%	42.7%
Bus. w. GAR < \$1 M		3.3%	10.2%	3.1%	3.9%	14.1%	0.5%	1.9%	22.2%	59.1%	40.9%
Bus. w. GAR < \$1 M in LMI CT		4.1%	6.6%	4.5%	9.4%	13.1%	0.2%	3.8%	19.7%	61.3%	38.7%
Percentage of Rochester MSA Loans In:											
	AFI	BOA	CNB	Citizens	FNFG	Five Star	JPMC	KeyBank	M&T	Top 8	OFI
Rochester MSA in LMI CT	19.3%	14.8%	18.2%	18.8%	27.4%	15.9%	17.7%	40.4%	20.1%	19.4%	19.0%
Loan Amt <= \$100,000	27.7%	46.7%	32.4%	55.5%	33.0%	22.3%	52.0%	21.7%	7.7%	23.2%	35.7%
Loan Amt <= \$100,000 in LMI CT	4.6%	7.7%	5.7%	10.5%	9.5%	2.6%	8.6%	3.3%	1.8%	4.1%	5.5%
Bus. w. GAR < \$1 M	32.6%	25.2%	30.9%	61.4%	51.2%	39.0%	3.1%	29.4%	27.6%	30.0%	37.2%
Bus. w. GAR < \$1 M in LMI CT	5.3%	5.1%	3.3%	14.8%	20.3%	5.9%	0.2%	9.4%	4.0%	5.1%	5.8%
Notes: Citizens includes Citizens Bank, NA and Citizens Bank of Pennsylvania. JPMC includes Chase Bank USA, NA and JPMorgan Chase Bank, NA. Loans/Lending Ranking is ranking among all lenders reporting CRA small business lending data.											
AFI: All Financial Institutions											
OFI: Other Financial Institutions											
Prepared by: Empire Justice Center, 2/1/2018, 585-454-4060											

Table 10: Canandaigua National Bank and Trust Community Development Lending, Investments and Grants and CRA Eligible Mortgage and Small Business Lending

Eligible Mortgage and Small Business Lending

Rochester MSA

(in thousands)

2018 Exam Period (2015-2017)

	Economic Development	Affordable Housing	Neighborhood Stabilization	Community Services	Total
Community Development Loans		\$5,611		\$12,182	\$17,793
Community Development Investments	\$13,235				\$13,235
CRA-Eligible Grants		\$418		\$871	\$1,289
Subtotal	\$13,235	\$6,029		\$13,053	\$32,317
Special Mention: First Time Home Club		\$1,050			\$1,050
Mortgage Lending*		\$173,756			\$173,756
Small Business Lending**	\$127,019				\$127,019
Total	\$140,254	\$179,785	\$0	\$13,053	\$333,092

Note: * Includes all HMDA mortgage originations to low-moderate income households and/or in low-moderate census tracts (unduplicated)

** Includes CRA Small business loans in low-moderate income census tracts and to businesses with gross annual revenues under \$1 million (unduplicated).

Numbers, except for mortgage and small business lending, provided by Canandaigua NB&T.

Percentage of Canandaigua NB&T's Rochester MSA Deposits Reinvested in Community			
	Deposits (millions)	% Deposits Reinvested	
		Entire Exam Period	Annualized
2018 Exam Period (2015-2017)	\$2,132	15.62%	5.21%
2011 Exam Period (2008-2010)	\$1,447	13.95%	4.65%
2007 Exam Period (2005-2007)	\$1,100	9.40%	3.13%