



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

---

September 30, 2022

Elaine Kwan, OCC Examiner-in-Charge  
Citizens Bank, N.A.  
One Citizens Plaza, 6<sup>th</sup> Floor  
Providence, RI 02903

Via email: [elaine.kwan@occ.treas.gov](mailto:elaine.kwan@occ.treas.gov)

**RE: Citizens Bank CRA Exam**

Dear Ms. Kwan:

We are writing to you on behalf of the Greater Rochester Community Reinvestment Coalition (GRCRC) to submit comments regarding Citizens Bank's (Citizens) CRA Exam conducted by the Office of the Comptroller of the Currency (OCC) for 2019 through 2021.

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 the Public Interest Law Office of Rochester, have released seventeen analyses of home mortgage lending, small business lending, and access to credit over the past 29 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.<sup>1</sup>

In preparing for these comments, we asked Citizens to share its community development lending and investments and CRA-related grants with us. The numbers the bank provided are reflected in Table 10 and in the community development section below. We also incorporated information

---

<sup>1</sup> 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>).

provided by GRCRC members on how Citizens has supported their work in the Rochester community, as well as opportunities for support.

Due to the tight turnaround of this letter, we are unable to share a draft with the bank for feedback. We will share the final letter with Citizens so that it may send any clarifications and updates to the examiners.

Citizens Bank is one of the largest local banks in the Rochester metropolitan area. It is the 5<sup>th</sup> largest depository institution serving the area. As of June 30, 2021, Citizens had \$1.84 billion in deposits at its 24 offices in the Rochester area and 7.3 percent of the market.<sup>2</sup> (See Table 1 in Appendix 1.)

These comments focus on four areas:

- Citizens and a Community Benefits Agreement
- Citizens' HMDA/Mortgage Lending
- Citizens' CRA Small Business Lending
- Citizens' Reinvestment of Deposits into the Community, Response to Community Needs and Opportunities for Investment

## **CITIZENS AND A COMMUNITY BENEFITS AGREEMENT**

Empire Justice Center, the convener of GRCRC, signed onto and supports the letter submitted by the National Community Reinvestment Coalition (NCRC). As a result of recent acquisitions, Citizens Bank is now the 15<sup>th</sup> largest bank in the country. Even though Citizens ranks 5<sup>th</sup> and has over 7% of the Rochester MSA depository market, the Rochester area now comprises less of the bank's national deposits. GRCRC is very concerned, through experience with other large banks, that as the bank expands its footprint into different markets, it will focus less on smaller communities like the Rochester NY area. We are very disappointed that negotiations with NCRC and its member organizations for a mutually agreeable community benefits agreement fell apart. GRCRC believes that a verifiable community benefits agreement supports a bank in keeping its CRA commitments, particularly obligations to low-moderate income and BIPOC communities, across a bank's footprint as its geography grows. We ask that the OCC examiners take the lack of a community benefits agreement and NCRC's other comments into consideration when writing Citizens' performance evaluation.

---

<sup>2</sup> From the FDIC Market Share 2021 Report, as found at: <https://www5.fdic.gov/sod/sodMarketBank.asp?barItem=2>

## **CITIZENS' HMDA LENDING IN MSA and UNDERSERVED COMMUNITIES**

Our lending analysis focuses on originated loans. We examine lending from 2019-2021 to align with the lending exam period with a baseline of 2018 before the exam period.

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

- Total number loans and total dollar volume mortgage lending
- Home purchase loans
- Citizens' lending compared to its peers

### **Citizens' Total Mortgage Lending**

#### Total Loans

In 2021, Citizens originated 736 mortgage loans (1<sup>st</sup> lien loans on owner-occupied (principal and secondary), 1-4 family site-built units) in the Rochester MSA compared to 718 loans in 2018, an increase of 3 percent.<sup>3</sup> (See Table 2 in Appendix). Between 2020 and 2021, Citizens' total loan originations increased by 27%. This may have been a recovery after a substantial decline in the bank's lending between 2019 and 2020, likely due to the COVID-19 pandemic.

Compared to Citizens' 3 percent increase in the total number of mortgage loan originations in the Rochester NY MSA in 2021 as compared to 2018, its lending to various families and communities also changed slightly or remained the same. Compared to 2018, Citizens' 2021 lending was:

- The same in the city.
- The same among Black/Latino households.
- 4% higher among low-moderate income households.
- 5% higher in low-moderate income census tracts
- 4% lower in majority nonwhite census tracts (50% or more nonwhite residents).

Citizens' distribution of its loans to areas and populations in the Rochester community that have been historically redlined or underserved was the same in 2021 as in 2018, despite lower numbers in 2020 (see the bottom section of Table 2). Citizens compared favorably to all financial institutions (AFI) in the distribution of its loans across all the communities. Of the 736 loans Citizens made in 2021,

---

<sup>3</sup> Empire Justice Center uses the Static HMDA LAR data from the CFPB website, at: <https://ffiec.cfpb.gov/data-publication/>.

- 14% were in the city, compared to 14% in 2018, and 9% for AFI
- 12% were to Black and Latinx households, compared to 12% in 2018, and 9% for AFI
- 50% were to low-moderate income households, compared to 50% in 2018, and 38% for AFI
- 17% were in low-moderate income census tracts, compared to 17% in 2018, and 11% for AFI
- 10% were in nonwhite census tracts, compared to 10% in 2018, and 5% for AFI

### Total Dollar Volume Lending

In 2021, Citizens originated an aggregate of \$105.5 million in total mortgage lending (1<sup>st</sup> lien loans on owner-occupied (principal and secondary), 1-4 family site-built units). As seen by Table 3 in the Appendix, this was \$17.3 million or 20% more than the bank's dollar volume of lending in 2018. Most of this increase occurred between 2020 and 2021, when dollar volume of lending increased by 31%, and is significantly higher than the 3% increase in the total number of loans during the same time period.

Citizens' total dollar volume of lending increased in some other categories at rates greater than that of the MSA. However, the rates of increased lending in the city and in BIPOC neighborhoods were less than the increase in the Rochester MSA as a whole. Between 2018 and 2021, Citizens' dollar volume of lending increased by:

- 15% in the city
- 30% among Black and Latinx households
- 26% among low-moderate income households
- 28% in low-moderate income census tracts
- 12% in nonwhite census tracts.

The proportions of Citizens' dollar volume of lending going to other areas of the Rochester community in 2021 were similar to or slightly greater than those of 2018 (see bottom section of Table 3), and they are greater than the average proportions of all financial institutions (AFI).

Of the \$105.5 million Citizens originated in the Rochester MSA in 2021,

- 9% went to the city, compared to 9% in 2018, and 6% for AFI
- 10% went to Black and Latinx households, compared to 9% in 2018, and 8% for AFI
- 39% went to low-moderate income households, compared to 37% in 2018, and 26% for AFI
- 11% went to low-moderate income census tracts, compared to 10% in 2018, and 7% for AFI

- 5% went to nonwhite census tracts, compared to 6% in 2018, and 3% for AFI

Note that proportions of the total dollar volume of lending going to these historically, and still, marginalized communities are less than the proportions of the number of loans going to them. This suggests that the mortgages, and home values, in these communities are on average lower than in other parts of the Rochester MSA.

## **Citizens Bank’s Home Purchase Lending**

### Home Purchase Loan Originations

We also analyzed Citizens’ home purchase originations (1<sup>st</sup> lien loans on owner-occupied, (principal and secondary) 1-4 family site-built units). As can be seen by Table 4 in the Appendix, Citizens originated 114 home purchase loans in the Rochester NY MSA in 2021, 40% fewer than in 2018 and only 6% more than in 2020.

Citizens’ home purchase lending from 2019 through 2021 has not been near its peak lending of 2018. The bank’s 2021 lending in every one of the historically marginalized communities was also much lower than 2018, although the differences are somewhat less than the 40% for MSA as a whole. Compared to 2018, Citizen’s 2021 home purchase loan originations **were fewer by:**

- 34% in the city.
- 26% among Black and Latino households.
- 32% among low-moderate income households.
- 36% in low-moderate income census tracts.
- 52% in nonwhite census tracts.

Despite the declines in lending, Citizens was able to maintain, and sometimes increase, the proportions of its home purchase loans going to borrowers in all but one of the traditionally redlined and underserved categories. They also exceeded the averages of all financial institutions (AFI) (see bottom section of Table 4). Of the 114 home purchase loans made by Citizens in 2021,

- 22% were in the city, compared to 20% in 2018, and 12% for AFI
- 30% were to Black and Latinx households, compared to 24% in 2018, and 13% for AFI
- 54% were to low-moderate income households, compared to 48% in 2018, and 44% for AFI
- 26% were in low-moderate income census tracts, compared to 25% in 2018, and 15% for AFI
- 14% were in nonwhite census tracts, compared to 17% in 2018, and 7% for AFI

## One Year Snapshot of Citizens' Mortgage Lending

Our coalition member, the **SW Street Liaison Office (the Office)**, a service of the **19<sup>th</sup> Ward Community Association**, often does an analysis of a bank's lending in Monroe County and the 4 quadrants of the city of Rochester. For this letter, the Office did a search of Monroe County Records for all variants of "Citizens Bank, NA" for January 1, 2021 to December 31, 2021 and found 922 mortgages for 1 and 2-family dwellings.<sup>4</sup> Following is a summary of what the Office found.

Like most of its competitors, the volume of Citizens' loans is weighted toward the suburbs in number (87% of the 922 mortgages) and dollar volume. The Office wants a more favorable distribution for city of Rochester home buyers. Of the 123 city loans, 38 were in the SW Quadrant (19th Ward + 5 adjacent neighborhoods). This suggests that Citizens' loans were fairly distributed across the city's quadrants.

Ninety-six percent or 118 of the 123 loans in the city were to owner-occupants, one of the highest levels the Office has ever seen. According to the Office, "As a neighborhood organization, the 'holy grail' of neighborhood stability is home ownership. Unless we are missing something, Citizens clearly has a preference for owner-occupants over investor-owners and flippers. This is somewhat unique in the business, and truly commendable!"

Of the 38 loans in SW quadrant, 28, or 74%, were HELOCs. (Other areas of the City and County were not checked.) According to the Office's review of the documents, it appears that several homeowners may have been "tapping their new-found increased equity. Some of the HELOC's were for very high LTV, much more than one would borrow to buy a car or a kitchen. A few owners even paid off an existing purchase mortgage to get a higher HELOC." Assuming the other areas of the city also had high proportions of HELOCs, this means that a large fraction of Citizens' mortgage loans in the city of Rochester were HELOC loans to owner-occupants.

GRCRC urges Citizens Bank to financially invest in neighborhood-based organizations like the 19th Ward Community Association, as they are critical to supporting Rochester's neighborhoods and small businesses. We also ask that Citizens reach out to the SW Street Liaison Office to have a conversation about the bank's mortgage lending in the SW Quadrant of the city to ensure that homeowners are getting the most appropriate and affordable mortgage for their needs.

---

<sup>4</sup> According to the Office, mortgages included were a mix of purchase money and HELOC's, most written for individuals. NOT included were Loan Modifications, Consolidations and Extensions.

## **Citizens' Mortgage Lending Compared to Its Peers**

GRCRC believes in the importance of comparing the lending of a bank to its peers. As Citizens is the 5<sup>th</sup> largest bank in the Rochester area, we compare its lending to the eight largest banks in the Rochester MSA. In 2021, Citizens **ranked 5th in deposits** in the Rochester MSA, with **7 percent of the market**, so these might be considered benchmarks as well.

### Total Mortgage Lending Compared to Peers

Our first comparison is of the total number of mortgage originations by the top 8 banks (1st lien loans on owner-occupied (principal and secondary), 1-4 family site-built units). As seen on Table 5 in the Appendix, Citizens originated 736 mortgage loans in 2021, making Citizens the 4<sup>th</sup> largest lender among the top 8 banks. Citizens' 3% Rochester MSA mortgage loan market share is substantially lower than its 7% depository market share, but the bank's 4<sup>th</sup> place ranking among the top 8 banks is one step higher than its 5th place depository market share ranking.

One way a depository can demonstrate its CRA commitment to a community is by maintaining market shares in the various target communities that are similar to or greater than its overall MSA market share (middle part of table). Citizens met or exceeded its 3% MSA total lending market share every category. In 2021, Citizens had:

- 4% of the market in the city
- 3% of the market among Black and Latinx households
- 3% of the market among low-moderate income households
- 4% of the market in low-moderate income census tracts
- 5% of the market in nonwhite census tracts

Citizens' distribution of its total lending to every target community substantially exceeded the averages for AFI and the top 8 banks (bottom part of table). The bank was the 3rd best performer (along with M&T) among the top 8 banks in the percentage of its loans going to historically redlined and marginalized communities.

### Dollar Volume Lending Compared to Peers

In 2021, Citizens made \$105.5 million in mortgage lending in the Rochester MSA, capturing 2% of the market and ranking 5th among the top 8 depositories in the Rochester MSA. (See Table 6 in the Appendix.) While this is substantially less than its depository market share, it is the same as its 5<sup>th</sup> place depository market share ranking.

Citizens' dollar volume market share in every underserved market exceeded its MSA lending market share. Among Rochester's various markets, Citizens had a market share of:

- 3% of the market in the city
- 3% of the market among Black and Latinx households
- 3% of the market among low-moderate income households
- 3% of the market in low-moderate income census tracts
- 4% of the market in nonwhite census tracts

Citizens ranked 4<sup>th</sup> in the distribution of its dollar volume of lending among the various Rochester community categories, exceeding the average distribution of the area's top 8 banks and of all financial institutions (bottom section of Table 6).

#### Home Purchase Lending Compared to Peers

Citizens made 114 home purchase loans (1st lien loans on owner-occupied (principal and secondary), 1-4 family site-built units) in the Rochester MSA in 2021. This corresponds to only 1% of the market, placing Citizens last among the Rochester area top 8 banks in home purchase loan originations (see Table 7 in the Appendix). Citizens' 1% MSA market share is substantially less than its depository market share, and its 8th place ranking is well below its 5<sup>th</sup> place depository market share ranking.

Citizens' home purchase loan market shares in all community categories were the same as or greater than its Rochester MSA market share of 1%. Citizens captured:

- 2% of the market in the city
- 2% of the market among Black and Latinx households
- 1% of the market among low-moderate income households
- 2% of the market in low-moderate income census tracts
- 2% of the market in nonwhite census tracts

Citizens' distribution of its home purchase loans to all of the above categories were higher than average distributions for the top 8 banks and all financial institutions. The bank ranked 4<sup>th</sup> in the distribution of its home purchase loans to Rochester's marginalized communities.

#### **Conclusion: Citizens' 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.

As we all know, 2020 was the start of the COVID-19 pandemic. It is likely that this impacted the ability of Citizens' lending staff to be out in Rochester's underserved communities connecting consumers to mortgage products. This could explain, at least in part, Citizens' total mortgage lending decline between 2019 and 2020 in the MSA and in historically marginalized and underserved communities.

The bank's home purchase lending, however, was already declining before the pandemic. As a result of these declines, the percentage of Citizens' total mortgage loans going to home purchases declined from 26% in 2018 (the peak year of the bank's home purchase lending) to only 15% in 2021. In comparison, in 2021 the percentages of total loans going to home purchases among the other 7 top banks ranged from 53% to 21%, substantially greater than Citizens'.

GRCRC is not sure why Citizens is doing fewer home purchase loans, including as a proportion of its total mortgage lending. The analysis by the SW Street Liaison Office suggests that the bank has a strong HELOC product, and/or is marketing its HELOCs, and that is increasing its overall lending numbers. The bank also may have changed one or more of its home purchase products so they no longer fit the Rochester market nor are appropriate for low-moderate income families. We hope that the OCC examiners will consider these possibilities, along with other reasons, as to why Citizens' home purchase lending has been so low during the last 3 years (2019-2021). GRCRC members know the Rochester mortgage lending market; we urge Citizens to reach out to them.

## **CITIZENS' BANK SMALL BUSINESS LENDING**

### **CRA Small Business Lending**

Table 8 in the Appendix shows Citizens' CRA small business loans and dollar volume of lending from 2018 to 2020. As the publicly available small business lending data for 2021 is not yet publicly available, our analysis mainly goes through 2020. Citizens provided us with some information on its 2021 small business lending, including Paycheck Protection Program (PPP) lending.

#### Number of Small Business Loans

Citizens made 977 small business loans in the Rochester MSA in 2020, 210% more than in 2018 and 266% more than in 2019 (see Table 8). The bank also made substantially more small

business loans, at similarly high rates, in every category in 2020 than in 2018 and 2019. This may be because the bank reported its Paycheck Protection Program (PPP) loans with its 2020 CRA small business loans. While the bank did not directly confirm this, it did share some of its 2021 small business lending numbers, including a breakout of its PPP lending. See below for our review of this.

In 2021, Citizens made:

- 208 loans to businesses in low-moderate income census tracts, an increase of 259% from 2018
- 912 loans of \$100,000 or less, an increase of 204% from 2018
- 191 loans of \$100,000 or less to businesses in low-moderate income census tracts, an increase of 235% from 2018
- 720 loans to businesses with gross annual revenues under \$1 million, an increase of 162% from 2018
- 156 loans to businesses with gross annual revenues under \$1 million in low-moderate income census tracts, an increase of 200% from 2018

Citizens compared favorably to all financial institutions (AFI) in 2020 in its distribution of small business loans among all categories of businesses.

#### Dollar Volume of Small Business Lending

In 2020, Citizens did \$37.4 million in small business lending in the Rochester. As seen at the bottom half of Table 8, this was 215% more than in 2018 and 214% more than 2019. Citizens' dollar volume of small business lending also was substantially greater in 2020 for loans to businesses in every category and for smaller loans.

In 2020, Citizens made:

- \$9 million in loans to businesses in low-moderate income census tracts, an increase of 402% from 2018
- \$20.8 million in loans of \$100,000 or less, an increase of 217% from 2018
- \$4.2 million in loans of \$100,000 or less to businesses in low-moderate income census tracts, an increase of 153% from 2018
- \$20.5 million in loans to businesses with gross annual revenues under \$1 million, an increase of 227% from 2018
- \$4.9 million in loans to businesses with gross annual revenues under \$1 million in low-moderate income census tracts, an increase of 260% from 2018

Citizens exceeded all financial institutions in the distribution of its dollar volume of lending to every category of business.

### Paycheck Protection Program Loans

As the 2021 CRA small business lending data is not publicly available yet, Citizens provided us with some data on their 2021 lending, including their Paycheck Protection Program (PPP) lending.

As seen in the table below, Citizens made 682 small business loans in 2021 totaling \$21.45 million. Eighty-two percent or 562 of these loans were PPP loans (2<sup>nd</sup> table below). The bank’s lending to businesses in low-moderate income census tracts and to businesses with gross annual revenues under \$1 million are comprised of similar proportions of PPP loans—84% each.

Area	2021 Total SB Loans		LMIT		Rev <=\$1Mil	
	#	\$	#	\$	#	\$
Rochester MSA	682	\$21,450,000	173	\$4,390,000	608	\$13,539,000

All SB Loans	Area	2021 Total SB Loans		LMIT				Rev <=\$1Mil			
		#	\$	% Businesses	% Bank Loans	#	\$	% Businesses	% Bank Loans	#	\$
	Rochester MSA	682	\$21,450,000	22.7%	25.4%	173	\$ 4,390,000	85.5%	89.1%	608	\$ 13,539,000

  

PPP Loans Only	Area	2021 Total SB Loans (PPP)		LMIT				Rev <=\$1Mil			
		#	\$	% Businesses	% Bank Loans	#	\$	% Businesses	% Bank Loans	#	\$
	Rochester MSA	562	\$17,378,000	22.7%	25.8%	145	\$ 3,893,000	85.5%	90.6%	509	\$ 10,960,000

Given the numbers the bank reported for 2021, it might be reasonable to conclude that large proportions of Citizens’ 2020 CRA small business loans were PPP loans, as well. Even if the proportions were not as high as in 2021, a conservative 70% in PPP loans in 2020 would account for much of the bank’s increase in total CRA small business lending between 2019 and 2020.

### **Citizens’ 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 2020, the most recent year with publicly available data. 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 2020. (Community Bank, the 9<sup>th</sup> largest bank, was substituted for Lyons NB, as Lyons did not report small business lending.)

### Number of Loans Market Share

In 2020, with 977 loans, Citizens captured 4.4% of the small business loan market in the Rochester MSA, making Citizens the 5th largest small business lender among the top 8 banks in terms of number of loans (see top part of Table 9.) Citizens met or exceeded its overall MSA market share of 4.4% in every category of loan and business examined, particularly among businesses with gross annual revenues under \$1 million and among businesses with gross annual revenues under \$1 million in low-moderate income census tracts. In 2020, Citizens had a market share of:

- 5.0% among businesses in low-moderate income census tracts
- 4.8% in loans of \$100,000 or less
- 5.5% in loans of \$100,000 or less to businesses in low-moderate income census tracts
- 9.7% among businesses with gross annual revenues under \$1 million
- 11.9% among businesses with gross annual revenues under \$1 million in low-moderate income census tracts

### Dollar Volume Lending Market Share

In 2020, with \$37.4 million in lending, Citizens captured 2.9% of the dollar volume of small business lending in the Rochester MSA, putting it in 7<sup>th</sup> place with respect to the dollar volume of lending among the top 8 banks. (See the bottom half of Table 9.) Citizens' dollar volume market share of 2.9% and 7<sup>th</sup> place market share rank are less than its depository market share of 7.3% and 5<sup>th</sup> place depository market share rank.

Citizens' dollar volume of lending market shares among the various categories of loans and businesses exceeded its overall MSA market share. Compared to its overall dollar volume market share of 2.9%, in 2020 Citizens captured:

- 3.2% of the dollar volume of lending to businesses located in low-moderate income census tracts
- 5.0% of the dollar volume of lending for loans of \$100,000 or less
- 5.3% of the dollar volume of lending for loans of \$100,000 or less to businesses in low-moderate income tracts
- 7.9% of the dollar volume of lending to businesses with gross annual revenues under \$1 million
- 9.8% of the dollar volume of lending to businesses with gross annual revenues under \$1 million located in low-moderate income census tracts

Citizens' dollar volume market share (2.9%) and market share rank (7<sup>th</sup>) are lower than those related to the number of small business loans the bank made in 2020—4.4% and 5<sup>th</sup> place, respectively. These, along with its small average loan size of \$38 thousand (2<sup>nd</sup> smallest after JPMorgan Chase) and the fact that 93% of Citizens' loans were \$100,000 or less (2<sup>nd</sup> highest proportion after JPMC), suggest that in 2020 Citizens did a lot of small business credit card lending or focused its PPP lending on smaller loans. Also note that Citizens' market shares (both number of loans and dollar volume of lending) are 2-3 times higher than its overall MSA market shares with respect to its lending to businesses with GAR<\$1 million and to businesses with GAR<\$1 million in low-moderate income census tracts. Among the Rochester area's top 8 banks, Citizens had the highest proportion of its loans and dollar volume of lending going to these businesses. These numbers clearly indicate that, in 2020, Citizens targeted its small business lending to these smaller businesses.

With respect to the distribution of its dollar volume of lending, Citizens matched the average for top 8 banks in lending to businesses in low-moderate income communities, while exceeding the top 8 bank averages in lending to businesses with gross annual revenues under \$1 million and to such businesses located in low-moderate income tracts (bottom of Table 9).

### **Small Business Lending Summary**

To stabilize the economy, create jobs and build wealth in the Rochester community, area businesses need access to affordable, responsible credit. This has been especially true as we recover from the pandemic and deal with the highest inflation rates since the 1980s. GRCRC is pleased that Citizens performed well in 2020 in CRA small business lending—increasing its overall loan and dollar volume market shares and its lending penetration to the smaller businesses (with GAR<\$1M) in the Rochester area and to these businesses in low-moderate income areas.

One of our concerns is that there has been a history of banks lending to smaller businesses and/or making smaller loans via higher cost small business credit cards rather than lower cost small business loans. Small business credit cards, as the only form of credit, do not support the credit needs of Rochester area small businesses, particularly micro-businesses and Black and Brown-owned businesses.

We thank Citizens for sharing information on its 2021 CRA small business lending, including its PPP lending. While this suggests that the bank did a lot of PPP lending in 2020 rather than small business credit card lending, we would like to confirm with Citizens if that is how the bank was able to increase its lending and increase its market share in 2020, as well as in 2021.

## **CITIZENS' REINVESTMENT OF DEPOSITS INTO THE COMMUNITY, RESPONSE TO COMMUNITY NEEDS AND OPPORTUNITIES FOR INVESTMENT**

Citizens Bank shared information with us about its local community development investments, grants, and loans for 2019 through 2021. The numbers the bank shared are reflected in Table 10a. We appreciate Citizens' willingness to share this information with us. We hope the bank finds our analysis of the information useful.

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

### **Reinvesting Deposits into the Community**

Citizens reinvested \$284.8 million in CRA-eligible loans, grants, and investments in the Rochester community between 2019 and 2021, the current CRA exam period. As seen in Table 10 (Table 10a) in the Appendix, this included:

- \$99.6 million in community development loans and investments and CRA-eligible grants serving primarily low- and moderate-income families, individuals, and communities
- \$133.5 million in mortgage loans to low-moderate income households and/or in low-moderate income census tracts
- \$51.4 million in CRA small business loans to businesses in low-moderate income tracts and/or to businesses with gross annual revenues under \$1 million (including PPP loans in 2021 and likely in 2020)

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

- \$45 million in community development lending in the Rochester NY MSA
- \$54.6 million in community development investments in the Rochester MSA
- \$0.33 million in CRA-eligible grants/donations

Again, Citizens invested a total of \$284.8 million in the Rochester MSA during the current exam period.

We are basing our calculations of how much of its deposits Citizens is reinvesting in the community on its 2021 deposits, as that is the last year of the exam. Citizens had \$1.84 billion in deposits in 2021 (see Table 1).

Citizens increased the proportion of its deposits the bank reinvested in the Rochester community between the last exam we commented on in 2010 and this exam. Taking the \$1.84 billion on deposit in 2021, we estimate that Citizens reinvested 15.5% of these deposits into the Rochester community during the 3-year 2022 exam period, for an annualized average of 5.2%. This annualized average is higher than the annual 1.3% of deposits reinvested in the Rochester MSA during the 2010 exam period. (See Table 10, Table 10b.)

Table 10c shows that, between the 2010 and 2022 exam periods, Citizens' annualized dollar volume of reinvestments in the Rochester community grew at a much higher rate than its growth in deposits. Between the two exam periods, Citizens increased its annualized reinvestments by 350% while its deposits grew by 12% between 2010 and 2021. This explains the 301% rate of growth in the percentage of deposits Citizens was reinvesting in the Rochester community annually between the two exams.

While this growth in reinvestments in the Rochester community is encouraging, GRCRC is concerned that Citizens' annualized percent of deposits reinvested is still lower than some of its peers. In October 2021, GRCRC commented on the CRA performance of Canandaigua National Bank (CNB), the region's 4<sup>th</sup> largest bank. We calculated that CNB had an annualized reinvestment rate of at least 7%.<sup>5</sup> In our May comment letter on Five Star Bank's CRA performance, we calculated that Five Star, the area's 7<sup>th</sup> largest bank, had an annualized reinvestment rate of at least 6.7%.<sup>6</sup> These rates are substantially higher than Citizens' 5.2% annualized reinvestment rate.

We urge Citizens Bank to actively reach out and work with GRCRC members and other organizations locally and throughout its footprint to commit to a specific dollar amount of increase in its CRA-related lending and investments within its communities. The bank can start by investing in some of the community development opportunities laid out below.

### **Specific Community Development Activities**

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

The **Enterprise Center at PathStone (The Center)** is an affiliate of **PathStone** Corporation, a multi-state community development corporation. Established in 1997, the Enterprise Center is a designated Community Development Financial Institution (CDFI). Our mission is to enhance the economic self-sufficiency and quality of life of individuals and communities through

---

<sup>5</sup> See p.14 at: <https://empirejustice.org/wp-content/uploads/2021/10/CNB-CRA-Exam-Comments-10-2021.pdf>.

<sup>6</sup> See p.12 at: <https://empirejustice.org/wp-content/uploads/2022/06/Five-Star-CRA-Exam-Comments-pdf-05-2022-1.pdf>.

entrepreneurial training, technical assistance, access to financing for new and expanding businesses, and mortgage products for underserved borrowers.

The Enterprise Center at PathStone and Citizens Bank have had a formal relationship for many years. The Center entered into a six-year \$1,250,000 line of credit, with repayment allocated over three additional years, at 2% interest with Citizens Bank in 2021 to be used for making business and residential loans in its respective NY markets which includes Rochester, Buffalo and the rural counties of western New York. The Center has also been awarded, almost on a yearly basis, grant dollars to continue empowering its work and more specifically, to strengthen its technical assistance and training series for small businesses in upstate NY. This included \$20,000 in 2021/2022 for the Center to provide specialized technical assistance to women owned small businesses, for a training series we call She Means Business. The program aimed to offer at least 15 hours of specialized technical assistance to 50 women owned small businesses and had an elevator pitch competition component in which \$10,000 was awarded to three winners of the competition.

The Center's clients are still experiencing capital needs to be able to bounce back from the pandemic's negative impact, especially after a tumultuous 2021 and 2022. There are few or almost no grant or forgivable loan programs set up in 2022 by the federal government or at the state and local level. The Enterprise Center at PathStone is setting up a grant fund for small businesses that are still struggling to keep their businesses open. GRCRC asks Citizens Bank to make sure that funds continue to be allocated to the Center and other CDCs and CDFIs that are working towards providing capital to our community's small businesses, and mostly minority owned clients, in the form of low-interest loans and/or grants.

The **SW Street Liaison Office** also shared the community's gratitude for the small Citizens Supermarket Branch within the Tops Friendly Market at 450 West Avenue. That branch is soon to be the only physical bank office presence in the Southwest Quadrant west of the Genesee River. KeyBank/Gardiner exited in 2019 and the Chase branch at Bull's Head will close in a few weeks. Tucked into the supermarket, Citizens appears to be effectively serving customers that are broadly diverse in race, age, and income. There are multiple Citizens' personnel on site and lines of customers waiting for banking services, including a free notary service. In an age when banking is rapidly shifting to on-line service, Citizens appears to have found a way to cost-effectively provide service to those who still need to interact in person.

Citizens Bank has supported the **Urban League of Rochester, NY, Inc. (ULR)**'s **Home Store** with grants of \$10,000 annually. Citizens Bank volunteers have also assisted with financial education and homebuyer workshops. The Home Store works to address housing inequities that stem from systemic racism and local economic and social disinvestment, which are often stronger in Rochester than in the state or the nation. The Home Store has assisted more than

3,200 families step into homeownership. ULR's Home Store works with low-to-moderate income individuals and families to provide a variety of services including one-on-one credit counseling, developing financial capability skills, and group education workshops on topics including pre- and post-home buyer education, financial literacy, and loan management. Pre-purchase homebuyer education workshops focus on the home buying process and empower participants to make sound financial decisions. After buying the home, the Home Store provides post-purchase homebuyer education to clients to reinforce healthy homeownership concepts as well as maintaining their home. Home Store financial literacy education workshops teach participants how to create and maintain a budget, plan for future purchases including a house, how to spend responsibly, manage/improve their credit score, and more.

Citizens Bank has also provided grants to the **Urban League of Rochester's Workforce Develop** programs (\$10,000 annually) in 2020 and 2021. These programs serve individuals with intersectional needs who face multiple barriers to employment and self-sufficiency such as substance abuse, involvement with the criminal justice system, low literacy levels, absence of a high school diploma, lack of adequate childcare and transportation, and other issues associated with systemic and concentrated urban poverty. Many of these challenges disproportionately affect people of color and low-income individuals due to historical inequities and racial discrimination such as but not limited to, racial profiling, poor distribution of resources and capital investment, and redlining and housing segregation. All programs offer skills training and employment services from a trauma-informed approach. Additional program services include high school equivalency preparation, case management and referrals, and job readiness training and placement. GRCRC thanks Citizens for its support of these ULR programs.

### **Community Development Opportunities**

GRCRC members share with us the needs in the Rochester community and initiatives, programs and needs of the member organizations. We then include these as opportunities in our comment letters as possible investment opportunities for the banks. We understand that each bank will not be able to invest in all these opportunities. At the least, we ask that banks consider these on-the-ground perspectives when making decisions about products, investments and contributions so they can more effectively address the needs of the Rochester community and support low-moderate income and BIPOC communities.

### **Structural Racial and Income Inequality in Upstate New York**

We first want to frame the need for consumer protections in the big picture context of rising income inequality. Incomes of working families have not kept up with rising housing, education, childcare and health costs. This has resulted in millions of Americans struggling to pay for basic necessities. Research released by the Federal Reserve Bank of New York in the fall of 2019

revealed that 60 million Americans don't have access to prime credit. They are not in the credit economy or have maxed out their credit. They cannot borrow from most mainstream financial institutions that only lend to borrowers with good credit.

Upstate New York had still not fully recovered from the financial crisis of 2008 when COVID-19 struck. Income inequality is exemplified in the post-industrial cities of upstate New York. The city of Rochester has the highest concentration of children living in poverty compared to cities of similar size in the United States. In 2019, Rochester came in dead last in a list of the country's 50 hottest job markets published by the Wall Street Journal.<sup>7</sup>

New Yorkers are feeling the financial strain of record high debt burdens, especially in upstate areas where poverty rates are some of the worst in the nation. The poverty rates in upstate cities such as Rochester (57%), Syracuse (56%), and Buffalo (53%), despite best efforts, show no signs of decreasing in any meaningful amount. Rural areas across upstate are also deeply affected by poverty. According to a recent study by Common Ground Health, the rural and urban areas of New York State with the highest rates of poverty were also the areas with the lowest life-expectancies. Not only does financial insecurity cost New York billions of dollars per year, it contributes to a public health crisis that cannot be ignored.

In 2017, the New York Federal Reserve issued a report on the credit profile of city of Rochester residents. The 2017 report looked at data at the ZIP Code level in the city of Rochester. This report found that more than 50% of city of Rochester residents had subprime credit. In some ZIP Codes 50 -75% of city residents had subprime credit. These ZIP Codes are majority nonwhite.<sup>8</sup>

Most bank branches have left these neighborhoods. Working families making \$15-25 an hour can't pay all their essential bills on time. These families may also have monthly incomes that are volatile. They may not have paid sick leave or a guaranteed minimum number of hours. They may not be sure how much money they will have at the end of the month. Given the high cost of housing, childcare, education and health care, the minimum wage and/or volatile incomes leave families in a situation where one or more bills are left unpaid. An unexpected car repair or medical bill throws their monthly expenses into crisis. Earlier research done by the Federal Reserve documents that 40% of Americans don't have \$400 in emergency savings.

There is structural mismatch between incomes and expenses. According to research from the Federal Reserve Board, the median Black family in the under 35 age group had only \$600 in wealth, compared with \$25,400 among young white families.<sup>9</sup> This has a disparate impact on

---

<sup>7</sup> <https://www.democratandchronicle.com/story/news/2019/03/10/rochester-worst-job-market-country-wall-street-journal/3089794002/> (updated 2020 information available at <https://www.wsj.com/articles/austin>)

<sup>8</sup> <https://www.newyorkfed.org/data-and-statistics/data-visualization/community-credit-profiles/index.html#overview>

<sup>9</sup> <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019->

Black and Brown families, who have no intergenerational wealth, in how they access or rather fail to access credit.

Professor Lisa Servon documented the lives of working families who use check cashers and pay day lenders. Her book “The Unbanking of America” shows that working families make very complicated choices about using a check casher instead of their own bank.<sup>10</sup>

Empire Justice Center used her research to look at the underbanked in Rochester, New York. Our 2018 report “Too Big to Fail” found similar patterns in Rochester. Those who choose a check casher over their bank do so because their bank does not offer a product that fits into their lives.<sup>11</sup>

Banks don’t serve the needs of such families. Bank products are designed for customers who have disposable income at the end of the month. When families don’t have enough money to pay for essentials, an unexpected decline in income or an emergency expense results in a subprime score. Families turn to predatory products to pay rent so they are not homeless, to pay the car loan so they can keep their job, or to buy groceries so they don’t go hungry.

Banks have a choice on how they process payments--to maximize short term profit or to create long term sustainability for both the bank and the customer. Even when a customer’s bank book shows a balance, more and more banks have chosen the former, to clear deposits and charges so that the customer is hit by an overdraft fee.<sup>12</sup>

There is no shortage of predatory lenders, who know how to make enormous profits by selling high-cost products to low-income borrowers. These products are set up for the consumer to fail and for the investors behind the products to make money. The interest rates/fees are abusive and designed to be vastly profitable with no relation to the risk taken by the lenders. Some loans are bundled into investment vehicles. The largest banks fund the companies that create and market these products.

Some federal and state regulators are finally starting to look at the systemic risk posed by these practices. We need to change the laws to stop these practices that result in enormous profits for corporations, and financial hardship or worse in the life of working families.

Consumer advocates have been raising these issues for decades. Now academics and regulators are beginning to appreciate the societal costs of poverty. Being repeatedly evicted and changing

---

survey-of-consumer-finances-20200928.htm

<sup>10</sup> <https://www.lisaservon.com/>

<sup>11</sup> [https://empirejustice.org/resources\\_post/report-big-fail-poor-bank-mainstream-financial-services-can-help-low-income-working-families-succeed/](https://empirejustice.org/resources_post/report-big-fail-poor-bank-mainstream-financial-services-can-help-low-income-working-families-succeed/)

<sup>12</sup> <https://www.politico.com/news/2020/09/28/racial-wealth-gap-federal-reserve-422658>

schools has enormous consequences on a family's emotional and physical health. We are finally starting to move from a mindset that blames poor people for their poverty.

The CRA was passed in 1977 to address the decades of redlining that had been happening in our communities. While the law says banks should serve the entire community in which they do business, including low- and moderate- income (LMI) communities, redlining mainly happened in, and continues to happen in and impact, Black and Brown communities. This is why banks must make decisions about their CRA-related lending, investments and grants through the lens of racial equity, as well as economic equity.

As in the rest of the nation, there is much work to be done in New York to come to terms with our history and to address the structural racial and income inequality. We need to look at the laws and economic policies that perpetuate structural racism and keep communities segregated. We also need structural change to ensure that jobs pay a living wage. New York State must develop and foster an environment where affordable housing, health care, and quality childcare are a reality for all people.

At the institutional level, banks must shift policies, practices, and culture to align with racial equity, anti-oppression, and cultural humility. This includes work to:

- Become welcoming for all people particularly those who have been historically, and continue to be, marginalized
- Assure employees, from the CEO down to staff underwriting loans, and those working with the public, are doing internal and interpersonal work (including implicit bias training) to address internalized racism and other forms of oppression
- Find ways to go into the community to create ease/support for BIPOC and Black and Brown-owned businesses.

A Brookings' paper shares how private sector leaders can significantly move the needle towards racial equity and an equitable economy via a 3-part framework:<sup>13</sup>

- Adopt internal changes within individual companies to promote diversity, equity, and inclusion.
- Act collectively with other CEOs to make regionwide progress on racial equity and equitable growth, including improving key regional performance indicators.
- Encourage business-led civic organizations to adopt their own changes toward equity and inclusive economic growth.

---

<sup>13</sup> <https://www.brookings.edu/essay/from-commitments-to-action-how-ceos-can-advance-racial-equity-in-their-regional-economies/>.

The paper also includes links to data metrics to measure progress at the MSA level. We urge Citizens' leaders to work with other local private sector leaders and groups from the **RASE Commission** to implement this or a similar framework in the Rochester community.

In addition to the above suggestions, Citizens can take other constructive actions to support BIPOC people, businesses, and communities. Citizens can:

- Start tracking how much of its CRA related activities and support (lending, philanthropy, and community development loans and investments) goes to BIPOC people, businesses and organizations led by people of color, and BIPOC communities, and create specific goals to increase these levels of support over time.
- Partner with and/or support BIPOC-led organizations, particularly smaller/micro organizations, that Citizens has not worked with in the past, including through investments, grants, and hiring local BIPOC-led vendors for supplies and services.
- Learn about the history of redlining in the Rochester area<sup>14</sup> and work with the Black and Brown residents of the impacted neighborhoods to address the vestiges of redlining and to build wealth and equity in ways that do not push-out lower income residents.

New research from the University of Houston highlights the intersections of race and advertising. The results underscore the power of advertising and access on behavior.<sup>15</sup> We hope Citizens will find this research helpful as the bank continues its work in Black and Brown communities.

### American Rescue Plan Funding Does Not Address All Needs

On September 22, 2022, Monroe County Executive Adam Bello and community partners announced the community organizations who will receive a share of the County's \$144 million federal American Rescue Plan Act allocation.<sup>16</sup> County Executive Bello was joined by Simeon Banister from the Rochester Area Community Foundation, and Faheem Masood, CEO of ESL Federal Credit Union. The total money requested for funding was approximately 20 times the funding awarded, indicating that the need is much greater in the community than the County was able to fund.

---

<sup>14</sup> For an excellent overview of the local history see: Shane Wiegand, "Racist Policy and Resistance in Rochester," at: <https://www.youtube.com/watch?v=1jvgX0AXrPs>.

<sup>15</sup> Hawkins, Jim and Penner, Tiffany, "Advertising Injustices: Marketing Race and Credit in America," (September 15, 2021). *Emory Law Journal*, Vol. 70, No. 1619, 2021, Available at SSRN: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3924970](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3924970).

<sup>16</sup> <https://www.monroecounty.gov/files/news/09.22.2022.ARPA%20release.pdf?v2>

The list of organizations receiving funding<sup>17</sup> shows that the money is targeted for residents of Monroe County, who are, amongst others: Deaf and Hard of Hearing refugees, disabled, formerly incarcerated, youth at risk, LGBTQ+, veterans, women, Black and Brown residents and the homeless. The funding is also targeted at workforce development around skilled jobs that businesses are looking to fill, including welding, asbestos removal, mold and lead abatement, skilled trades, and health professionals.

The areas targeted for funding align with the community input the County received via an online survey, large and small public meetings as well as focus groups.<sup>18</sup> Some of the organizations included are GRCRC members and nonprofits that Citizens Bank already works with. Citizens might find this information helpful as the bank plans investments and grants for 2023.

### Abusive Auto Lending

In Rochester, working families need cars to get to work. Work schedules are not fixed and change at the last minute. Entry level jobs are in locations that don't have reliable public transportation or affordable housing.

For individuals in rural areas, public transit is not even an option. This makes Upstate New York a haven for subprime auto lenders and unscrupulous "Buy Here Pay Here" dealers who know that most of these individuals would not be able to get an affordable loan from a bank. Car loans have abusive and discriminatory interest rates; borrowers are charged 6-8% more than they qualify for, and the loans have high loan-to-value ratios ranging from 125-175%. Long loan terms mean that the car stops running before the loan is paid. The dealer then refinances the amount of the unpaid loan into a new loan, resulting in even higher loan-to-value ratios. These loans are designed to fail. The result is a cycle of subprime credit that prevents low-moderate income and Black and Brown borrowers from being able to take the first step to wealth acquisition by becoming homeowners.

At \$1.44 trillion auto debt is at an historic high.<sup>19</sup>

Until recently, there was limited data/information on abusive auto lending. Research by Consumer Reports published in December 2021 sheds some light on the abuses.<sup>20</sup> Consumer Reports purchased almost a million loan files and documented the mismatch between credit scores and interest rates. In addition, many of the abusive auto lending practices are described by

---

<sup>17</sup> <https://www.monroecounty.gov/files/news/Referral%20list%20of%20awardees.pdf?v2>

<sup>18</sup> As described in the press release at #16 and here: <https://www.monroecounty.gov/bringmonroeback>

<sup>19</sup> <https://uspig.org/news/usp/new-fed-data-reveal-auto-debt-historic-highs>

<sup>20</sup> <https://www.consumerreports.org/car-financing/how-loophole-ridden-auto-lending-laws-harm-consumers-a3113489289/>

a recent panel, including elected officials from Connecticut, as well as Ruhi Maker Esq. and Chuck Bell (Consumer Reports) from New York.<sup>21</sup>

**Legal Assistance of Western New York (LawNY)** is the primary free legal services provider in 13 of the 14 counties in the Rochester MSA and the rural counties in the Finger Lakes. LawNY turns away hundreds of callers each year seeking help with consumer legal problems. Staff members see hidden fees for the dealership, and costly, yet worthless, extended warranties added to the contracts without the consumer's knowledge. It is not uncommon for a consumer to buy a used car with over 100,000 miles on it that was advertised at a number around \$5,000. That consumer will end up with a loan that will cost them more than three times that amount by the time they are done making payments.

The pattern LawNY has observed is that most consumers are not even made aware of the terms of the loan at the time they purchase the car. The majority of documents are signed on a computer, by clicking a button that is often controlled by the salesperson. Frequently consumers leave the lot with their car but not their contract. When they finally do receive the contract, they are shocked to learn that the car they purchased will cost them more than twice what they were told by the dealer. Because there is no cooling-off period for car sales, consumers are left with no recourse to return the car after learning it is unaffordable, and dealers will often direct consumers to the company that indirectly financed their loan, even though the consumers have only ever interacted with the dealer.

All of this results in extremely high default rates--25% for subprime auto loans made at "Buy Here Pay Here" dealerships, compared to only 1% default rates for low-interest auto loans made by traditional banks. When individuals default on their auto loans, the lender will repossess the vehicle and auction it off for a fraction of the fair market value. In most instances, this leaves a large deficiency balance on the loan that the lenders will pursue in the courts by filing lawsuits against the consumers, again increasing what the loan costs by adding attorney's fees, court costs, and post-judgment interest. Without access to legal representation, many of these lawsuits result in default judgments against the consumers, even when there are legal defenses. Consumers will then end up paying for these cars for years after they surrendered them and for thousands of dollars more than they were ever worth. This results in a cycle of subprime credit that is almost impossible to break.

There are several ways Citizens Bank can help address this cycle of auto lending abuse. The bank can provide responsible, affordable auto loans, both direct and indirect, for used autos and to borrowers with subprime credit. If doing indirect auto lending, the bank can work to strengthen its oversight to ensure that auto dealers are putting borrowers into responsible, affordable loans without unaffordable, unneeded add-ons. Citizens can also financially support

---

<sup>21</sup> [https://drive.google.com/file/d/15kRAB6qV94VD3\\_RPYB\\_mzbvwnMWceowx/view](https://drive.google.com/file/d/15kRAB6qV94VD3_RPYB_mzbvwnMWceowx/view)

nonprofit law firms like LawNY that are representing consumers who are trapped in unaffordable, predatory auto loans.

### Assuring Consumers Have Access to Affordable Accounts

Rochester now has a **Bank On Coalition** that meets regularly. According to the coalition, Citizens has two Certified Bank On checking accounts, including one for students.<sup>22</sup> We urge Citizens to ensure that all new customers are guided to a Bank On account if their income and/or expenses warrant such an account. There are many existing customers (who overdraw) who would benefit from a Bank On account. Rather than closing the accounts of these customers and putting them in the Chex System, Citizens can guide them to switch to its Bank On account.

Banks with Bank On accounts also need to better market these accounts. We are pleased to see that Citizens' two Bank On accounts can be easily found on their website when comparing the various checking products.

Bank members of the Bank On coalition can use Public Service Announcements (PSAs) in the media markets that serve low-moderate income and Black and Brown customers. These PSAs should be in Spanish and in the languages spoken by New Americans as described below. Social media is also a good tool to reach underserved customers. Banks can also conduct their own webinars at not-for-profits that serve lower income consumers and work with not-for-profits to ensure their Bank On accounts become well known.

If not a member already, Citizens can join the local Bank On coalition to help move consumers to financial empowerment.

### Homeownership in Rural Communities

We ask that Citizens Bank increase its support for programs supporting low-income households, particularly in rural communities, who are seeking to buy a home and have a low credit rating. Mark Wattenberg is a housing lawyer employed at the Bath office of **LawNY**<sup>®</sup> whose office covers Steuben and Allegany Counties, counties in which Citizens Bank has branches. This is what Mr. Wattenberg shared:

Mortgages to buy homes in our rural area are relatively affordable compared to rents. However, most of our legal services clients have low credit ratings, even though many have steady income from employment or social security benefits and favorable recent payment records. In 2021, the median residential sales price in Allegany County, as listed by the NYS Department of Taxation and Finance, was \$85,000 – one of the lowest levels in any of the counties in New York State. Steuben County was only somewhat

---

<sup>22</sup> <https://www.citizensbank.com/checking/overview.aspx>

higher at \$130,000.<sup>23</sup> Despite the relatively low monthly payments required to amortize a mortgage, our clients and other consumers like them are trapped in rental housing.

Many households, unable to get financing from banks, enter into one-sided, high interest and risky land contract or “rent-to-own” contracts. Some of the finance companies attract purchasers based on inflated internet advertising. Other finance companies market severely substandard homes typically bought at tax or mortgage foreclosure auctions. Many of the housing cases handled by our office involve defending clients in these oppressive arrangements or assisting them with the very difficult task of obtaining a deed for ownership, even when the buyers have made all their payments. Other cases involve title issues, such as the failure of the finance company or seller to pay property taxes, or the seller has failed to maintain their own mortgage payments. In a land contract or “rent-to-own” transaction, title problems of the seller can result in the loss of the buyer’s investment in the home through a foreclosure action brought by a third party.

GRCRC urges Citizens to work with LawNY to see how the bank can increase access to homeownership in the rural areas of NYS.

### Language Access

Over 5.7 million people living in New York speak a language other than English. Of these, 2.5 million speak English less than well (i.e., they have Limited English Proficiency (“LEP”)). Monroe County has a population of 741,770, of which 103,800 or 14% speak a language other than English at home (US Census Population Estimate, 2015-2019). This includes many Spanish-speaking American citizens who relocated from Puerto Rico to Monroe County after Hurricane Maria in 2017. Rochester also has a significant population of refugees who speak Arabic, Nepali, Somali, and Swahili. And Rochester has the largest concentration of Deaf and hard of hearing residents in the country.

The need for language access for bank customers in our community is great, including the need for in-language access to products such as mortgages and consumer loans, as well as language access for consumers with mortgage delinquencies and facing foreclosure who need forbearances or loan modifications. Perhaps no population faces greater challenges in obtaining information about available mortgage relief than LEP borrowers. Without access to better banking options, individuals in the LEP and the Deaf or hard of hearing communities also are at greater risk of predatory lending.

Since the last recession **Empire Justice Center** has represented homeowners with foreclosure prevention and supported not-for-profit organizations throughout New York State. Based on its

---

<sup>23</sup> <https://www.tax.ny.gov/research/property/assess/sales/resmedian.htm>

statewide and national work, Empire Justice identified patterns where foreclosure support organizations took advantage of unsophisticated homeowners in default. Many LEP borrowers who spoke no English and were new Americans were vulnerable to organizations that targeted them. Banks must serve LEP borrowers in-language to help them protect their scarce assets and wealth.

At a GRCRC meeting with another bank, the bank shared that it now uses TransPerfect translation services for those needing language translation or ASL interpretation at its branches or call-in center. TransPerfect offers live, in-person translation of 171 languages, as well as video capability for ASL interpretation.

Marlene Cortés of Empire Justice and the **Monroe County Language Access Coalition** noted that drive-throughs are not accessible for people who are Deaf and hard of hearing.

We urge Citizens to improve language access by:

- Investing in a language translation service like TransPerfect and training staff how to use it.
- Including Spanish and other languages on its website, with in-language pointers on its home page to those translated pages and to its translation service.
- Finding a way to increase language and ASL accessibility of its branch drive-throughs.
- Providing cultural sensitivity training with respect to people who are Deaf and hard of hearing, speakers of other languages, and immigrants/refugees.
- Providing in-language product information for mortgages, auto loans, other consumer loans, and checking accounts.
- Supporting the **Monroe County Language Access Coalition**, a group of not-for-profits that serve LEP and Deaf and hard of hearing residents.

### Climate Change and a Just Transition

In 2019, NYS adopted the country's most ambitious climate targets--to have 100 percent carbon free electricity by 2040 and have economy-wide, net-zero carbon emissions by 2050. We need massive investments to make this happen, and we need to make sure it is a just transition, where, at a minimum, poor communities and communities of color are not disproportionately burdened or harmed.

**The Climate Solutions Accelerator of the Genesee-Finger Lakes Region** has ideas for how banks can evaluate their businesses through the lens of climate change, elect to move their businesses towards climate-friendly solutions, provide support for organizations that are doing this work in their footprint, and support lower income and BIPOC communities in the transition to zero greenhouse gas emissions. Specifically, Citizens can:

- Provide low-cost home improvement or refinance loans and other innovative financing products to people of color and low-moderate income households and tenant occupied buildings to make home energy efficiency projects more affordable and feasible. This will allow owners to weatherize, get heat pumps and electric furnaces and hot water heaters, to put in electric car chargers, and to install solar panels, which will reduce energy costs, decrease families' carbon footprints and improve indoor air quality.
- Provide affordable financing for small businesses, particularly micro-businesses and Black and Brown-owned businesses, that want to improve their energy efficiency and reduce their reliance on fossil fuels.
- Develop community development financing goals and products to support projects that provide substantive opportunities for low-moderate income communities to benefit from the transition to renewable energy and reduce their use of fossil fuels, e.g. community solar, district geothermal.
- Invest in renewable energy, including geothermal, solar, wind, battery storage and other building energy efficiency investments, along with clean energy workforce development to support the growing demand of this transition.
- Require or strongly encourage borrowers to include energy upgrades in their renovation projects, especially for multifamily buildings that require major renovations.
- Include information about energy upgrades (and corresponding energy bill savings) and/or referrals to relevant energy programs as part of homebuyer/financial education programs.
- Provide philanthropic support to nonprofit organizations that are working to address environmental justice/climate justice and climate change.
- Reduce the bank's own carbon footprint.

GRCRC urges Citizens to work with Climate Solutions Accelerator on implementing these much-needed initiatives.

### Affordable Homeownership

**Greater Rochester Housing Partnership (GRHP)** is a not-for-profit lender dedicated to the creation and preservation of affordable housing in the Rochester NY region, including through construction lending and single-family homeownership programs. Since 2002, the **HOME Rochester** Program has been rehabilitating vacant homes, revitalizing neighborhoods, and providing quality affordable homeownership opportunities in the City of Rochester. GRHP provides management services to the program as well as needed financing. The **Rochester Housing Development Fund Corporation (RHDFC)**, GRHP, and public and private partners of HOME Rochester have acquired and rehabilitated more than 800 vacant homes and sold them to first-time homebuyers.

HOME Rochester properties are sold at prices that are affordable to low and moderate-income homebuyers and that are in line with comparable values of similar neighborhood properties. HOME Rochester houses carry a 15-year affordability period (homebuyers agree to live in their houses for 15 years). This program requirement ensures that the investment made to rehabilitate a HOME Rochester property results in affordable housing that is sustainable for at least 15 years. This residency requirement also ensures these homes remain owner-occupied for at least 15 years which in turn helps with neighborhood stability.

Homebuyers must be able to qualify for a conventional, fixed rate mortgage and contribute a minimum of \$1,500 of their own money toward the purchase of the home. HOME Rochester buyers are qualified, and eligible for down payment and closing cost assistance, through the City of Rochester.

While Citizens Bank is an approved mortgage provider for HOME Rochester, GRHP has experienced some challenges with Citizens' ability to provide mortgages to buyers of homes that include a development subsidy, likely due to underwriting challenges at the bank. GRCRC urges Citizens to work with GRHP to overcome the underwriting challenges. Home buyers participating in HOME Rochester and other GRHP programs need affordable mortgages with fixed interest rates that can be guaranteed from initial prequalification through closing.

#### *Federal Home Loan Bank*

In its response to our request for its community reinvestment dollars, Citizens Bank noted that the bank is not a member of the FHLB of NY but is a member of the FHLB of Boston; and that during the exam period the bank did not receive a request from Rochester area organizations to support an AHP application through the FHLB system. GRCRC urges Citizens to be more active and reach out to Rochester area organizations to collaborate on such applications.

#### Consumer Financial Education

**CCCS of Rochester** aims to help individuals and families build financial wellness and peace of mind through financial education and counseling. Each year, CCCS serves more than 12,000 residents in need of help with managing debt, improving their credit, increasing savings, and managing money. Nearly 80% of its clients are considered low-to-moderate income (LMI) according to HUD standards. Given the strong alignment of financial education and counseling with the goals of financial institutions, CCCS encourages Citizens Bank to partner with non-profit financial counseling organizations to uplift low-moderate income consumers who need to build their credit. Additionally, CCCS believes that financial institutions, like Citizens Bank, benefit tremendously from supporting financial education for youth, in particular, financial education that leverages teachable moments (such as a first paycheck) to help youth establish

crucial foundations. GRCRC asks Citizens to support these types of financial education initiatives.

## CONCLUSION

The massacre this past May of 10 Black people at a Tops Supermarket on Buffalo's eastside, a largely Black neighborhood in a segregated city, shows that white supremacy is alive and well in this country. Like Buffalo and other communities across New York, economic disparities and racial segregation in the Rochester community persist. Rochester is the 14<sup>th</sup> most segregated metro area in the US.<sup>24</sup> We have much work and introspection ahead of us to fully understand how structural racism and economic inequality continue to divide our communities and disproportionately harm Black and Brown communities, while ultimately harming us all.<sup>25</sup> Like all financial institutions in this country, Citizens Bank is part of and has benefitted from these systems.<sup>26</sup>

In addition to understanding structural racism and economic inequality and working to create more equitable systems, it is critical that Citizens, and all financial institutions, focus reinvestments on the reduction of greenhouse gas emissions and addressing the disparate impacts of climate change on BIPOC and lower-income communities. The Intergovernmental Panel on Climate Change concluded from a recent report that “unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach.”<sup>27</sup>

GRCRC urges Citizens to publicly commit to a specific dollar amount in verifiable CRA commitments, while focusing more of its reinvestments on addressing these critical issues of our time. We ask that Citizens increase the level of its grants to support organizations already in the community working on racial and economic justice and climate change.

GRCRC is committed to fostering productive relationships with all financial institutions in the belief that the goal of meeting the credit needs of communities harmed by structural racism and economic inequality is compatible with safe, sound, and profitable lending practices. That is why we have provided a variety of opportunities and strategies in this letter for Citizens to consider.

---

<sup>24</sup> White-Black segregation. Appendix C. [https://www.brookings.edu/wp-content/uploads/2022/05/A-2020-Census-Portrait-of-America\\_s-Largest-Metro-Areas\\_-Populati.pdf](https://www.brookings.edu/wp-content/uploads/2022/05/A-2020-Census-Portrait-of-America_s-Largest-Metro-Areas_-Populati.pdf)

<sup>25</sup> See Heather McGhee. 2021. **The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together.**

<sup>26</sup> For more on how the financial system has benefitted from structural racism and other forms of oppression, see: Take on Wall Street, “To What Extent Was Our Economy Designed to Be Fair?” at: <https://isoureconomyfair.org/>.

<sup>27</sup> <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>.

GRCRC members look forward to continuing to work with Citizens to find ways to invest in the Rochester community that will have the most benefit on community members and businesses that have historically been redlined and continue to be harmed.

Sincerely,

Handwritten signature of Ruhi Maker in black ink on a light gray background.

Ruhi Maker, Esq.

Handwritten signature of Barbara van Kerkhove in black ink on a light gray background.

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

CC:

Amy K Obenhofer, Citizens, [amy.k.obenhofer@citizensbank.com](mailto:amy.k.obenhofer@citizensbank.com)

Bonita Irving, OCC, [Bonita.Irving@occ.treas.gov](mailto:Bonita.Irving@occ.treas.gov)

Appendix: Tables 1-10

Table 1: Offices and Deposits of all FDIC-Insured Institutions											
Deposit Market Share Report											
Deposits as of: June 30, 2021											
Selected Market											
Metropolitan Statistical Area(s):											
ROCHESTER, NY											
Rank	Institution Name	CERT	State (Hqtrd)	Bank Class	State/ Federal	Outside of Market		Inside of Market			
						No. of Offices	Deposits \$000	No. of Offices	Deposits \$000	Market Share	% US Deposits
1	Manufacturers and Traders Trust Company	588	NY	SM	State	701	124,421,355	29	5,274,692	20.91%	4.1%
2	Keybank National Association	17534	OH	N	Federal	1,008	145,189,101	27	3,744,663	14.84%	2.5%
3	JPMorgan Chase Bank, National Association	628	OH	N	Federal	4,900	2,007,936,904	25	3,407,096	13.51%	0.2%
4	The Canandaigua National Bank and Trust Company	6985	NY	N	Federal	0	0	25	3,297,221	13.07%	100.0%
5	Citizens Bank, National Association	57957	RI	N	Federal	949	151,566,410	24	1,844,011	7.31%	1.2%
6	Bank of America, National Association	3510	NC	N	Federal	4,204	1,869,498,965	11	1,713,810	6.79%	0.1%
7	Five Star Bank	659	NY	SM	State	27	3,210,902	21	1,478,111	5.86%	31.5%
8	The Lyons National Bank	7151	NY	N	Federal	4	239,529	12	1,200,314	4.76%	83.4%
9	Community Bank, National Association	6989	NY	N	Federal	212	11,656,529	20	912,858	3.62%	7.3%
10	The Bank of Castile	13292	NY	NM	State	10	890,216	8	809,285	3.21%	47.6%
11	Genesee Regional Bank	26333	NY	NM	State	0	0	3	728,965	2.89%	100.0%
12	Evans Bank, National Association	6947	NY	N	Federal	16	1,679,683	5	209,133	0.83%	11.1%
13	Wayne Bank	698	PA	NM	State	28	1,503,159	2	186,225	0.74%	11.0%
14	The Upstate National Bank	13748	NY	N	Federal	2	20,151	1	174,663	0.69%	89.7%
15	Generations Bank	16040	NY	SB	Federal	5	205,251	4	109,823	0.44%	34.9%
16	Northwest Bank	28178	PA	SB	State	167	12,323,052	2	91,435	0.36%	0.7%
17	Savannah Bank National Association	14619	NY	N	Federal	4	112,698	1	36,051	0.14%	24.2%
18	Woodforest National Bank	23220	TX	N	Federal	766	8,712,057	3	8,889	0.04%	0.1%
	Number of Institutions in the Market: 18				TOTALS	13,003	4,339,165,962	223	25,227,245	100	

**Table 2: Citizens Bank Total Mortgage Lending 2018-2021**

**Rochester, NY MSA**

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

					2020-2021		2018-2021	
	2018	2019	2020	2021	# change	% change	# change	% change
<b>MSA</b>	718	705	581	736	155	27%	18	3%
<b>City</b>	103	97	66	103	37	56%	0	0%
<b>Black/Latino HH</b>	88	72	51	88	37	73%	0	0%
<b>Low-Mod Income HH</b>	358	364	246	371	125	51%	13	4%
<b>Low-Mod Income CT</b>	119	115	78	125	47	60%	6	5%
<b>Majority Non-White CT</b>	74	72	45	71	26	58%	-3	-4%
					<b>AFI</b>			
<b>% of loans in:</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>			
<b>City</b>	14%	14%	11%	14%	9%			
<b>Black/Latino HH</b>	12%	10%	9%	12%	9%			
<b>Low-Mod Income HH</b>	50%	52%	42%	50%	38%			
<b>Low-Mod Income CT</b>	17%	16%	13%	17%	11%			
<b>Majority Non-White CT</b>	10%	10%	8%	10%	5%			

Source: Annual HMDA LAR data from FFEIC and CFPB.

**Table 3: Citizens Bank Total Dollar Volume Mortgage Lending 2018-2021**

**Rochester, NY MSA**

(Aggregate amount of 1st lien loans on owner-occupied (principal & secondary), 1-4 family, site built units, \$000)

					<b>2020-2021</b>		<b>2018-2021</b>	
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b># change</b>	<b>% change</b>	<b># change</b>	<b>%</b>
<b>MSA</b>	88,200	88,035	80,385	105,500	25,115	31%	17,300	20%
<b>City</b>	8,195	7,295	6,090	9,465	3,375	55%	1,270	15%
<b>Black/Latino HH</b>	7,720	6,420	5,765	10,060	4,295	75%	2,340	30%
<b>Low-Mod Income HH</b>	33,000	35,290	26,030	41,535	15,505	60%	8,535	26%
<b>Low-Mod Income CT</b>	8,685	8,295	6,720	11,125	4,405	66%	2,440	28%
<b>Majority Non-White CT</b>	4,890	4,500	3,335	5,465	2,130	64%	575	12%
					<b>AFI</b>			
<b>% of lending in:</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>			
<b>City</b>	9%	8%	8%	9%	6%			
<b>Black/Latino HH</b>	9%	7%	7%	10%	8%			
<b>Low-Mod Income HH</b>	37%	40%	32%	39%	26%			
<b>Low-Mod Income CT</b>	10%	9%	8%	11%	7%			
<b>Majority Non-White CT</b>	6%	5%	4%	5%	3%			

Source: Annual HMDA LAR data from FFEIC and CFPB.

**Table 4: Citizens Bank Home Purchase Loans 2018-2021**

**Rochester, NY MSA**

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

					2020-2021		2018-2021	
	2018	2019	2020	2021	# change	% change	# change	% change
<b>MSA</b>	189	128	108	114	6	6%	-75	-40%
<b>City</b>	38	27	23	25	2	9%	-13	-34%
<b>Black/Latino HH</b>	46	24	25	34	9	36%	-12	-26%
<b>Low-Mod Income HH</b>	91	64	48	62	14	29%	-29	-32%
<b>Low-Mod Income CT</b>	47	37	30	30	0	0%	-17	-36%
<b>Majority Non-White CT</b>	33	21	18	16	-2	-11%	-17	-52%
					<b>AFI</b>			
<b>% of loans in:</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>			
<b>City</b>	20%	21%	21%	22%	12%			
<b>Black/Latino HH</b>	24%	19%	23%	30%	13%			
<b>Low-Mod Income HH</b>	48%	50%	44%	54%	44%			
<b>Low-Mod Income CT</b>	25%	29%	28%	26%	15%			
<b>Majority Non-White CT</b>	17%	16%	17%	14%	7%			

Source: Annual HMDA LAR data from FFEIC and CFPB.

**Table 5: Top 8 Banks Total Mortgage Originations 2021**

**Rochester, NY MSA**

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

<b>Annual HMDA data</b>	<b>AFI</b>	<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>MSA</b>	28,386	276	2,064	736	416	437	714	850	842	6,335	22,051
<b>City</b>	2,474	53	140	103	93	36	44	6	119	594	1,880
<b>Black/Latino HH</b>	2,596	72	106	88	105	34	33	28	150	616	1,980
<b>Low-Mod Income HH</b>	10,704	126	616	371	232	108	282	249	391	2,375	8,329
<b>Low-Mod Income CT</b>	3,186	50	135	125	119	34	66	92	145	766	2,420
<b>Majority Non-White CT</b>	1,319	39	61	71	82	12	25	2	88	380	939
<b>MARKETSHARE</b>											
		<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>MSA</b>		1%	7%	3%	1%	2%	3%	3%	3%	22%	78%
<b>City</b>		2%	6%	4%	4%	1%	2%	0%	5%	24%	76%
<b>Black/Latino HH</b>		3%	4%	3%	4%	1%	1%	1%	6%	24%	76%
<b>Low-Mod Income HH</b>		1%	6%	3%	2%	1%	3%	2%	4%	22%	78%
<b>Low-Mod Income CT</b>		2%	4%	4%	4%	1%	2%	3%	5%	24%	76%
<b>Majority Non-White CT</b>		3%	5%	5%	6%	1%	2%	0%	7%	29%	71%
<b>Loans as %</b>											
<b>of MSA TOTAL IN:</b>	<b>AFI</b>	<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>City</b>	9%	19%	7%	14%	22%	8%	6%	1%	14%	9%	9%
<b>Black/Latino HH</b>	9%	26%	5%	12%	25%	8%	5%	3%	18%	10%	9%
<b>Low-Mod Income HH</b>	38%	46%	30%	50%	56%	25%	39%	29%	46%	37%	38%
<b>Low-Mod Income CT</b>	11%	18%	7%	17%	29%	8%	9%	11%	17%	12%	11%
<b>Majority Non-White CT</b>	5%	14%	3%	10%	20%	3%	4%	0%	10%	6%	4%
Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2021 Snapshot National Loan Level Dataset, as of 4/30/2022, downloaded from the HMDA Data Browser at: <a href="https://ffiec.cfpb.gov/data-browser/data/2021?category=states&amp;items=NY">https://ffiec.cfpb.gov/data-browser/data/2021?category=states&amp;items=NY</a>											
Prepared by: Empire Justice Center, 585-454-4060											

**Table 6: Top 8 Banks Dollar Volume HMDA Lending 2021**

**Rochester, NY MSA**

Total Dollar Volume of Lending (000's) (1st lien loans on owner-occupied (principal and secondary), 1-4 family, site built units)

<b>DOLLAR VOL LENDING</b>	<b>AFI</b>	<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>MSA</b>	\$4,933,630	57,020	443,180	105,500	58,350	86,385	122,690	167,020	126,540	\$1,166,685	\$3,766,945
<b>City</b>	\$315,320	6,405	21,830	9,465	10,585	5,350	4,620	950	13,025	\$72,230	\$243,090
<b>Black/Latino HH</b>	\$390,260	10,460	20,160	10,060	12,415	5,170	4,505	5,070	18,450	\$86,290	\$303,970
<b>Low-Mod Income HH</b>	\$1,300,280	17,170	80,160	41,535	25,590	12,710	28,900	29,085	42,695	\$277,845	\$1,022,435
<b>Low-Mod Income CT</b>	\$360,210	5,700	17,595	11,125	12,955	4,420	5,680	10,580	15,145	\$83,200	\$277,010
<b>Majority Non-White CT</b>	\$134,695	4,305	6,935	5,465	8,380	1,500	1,825	330	8,360	\$37,100	\$97,595
<b>MARKETSHARE</b>											
		<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>MSA</b>		1%	9%	2%	1%	2%	2%	3%	3%	24%	76%
<b>City</b>		2%	7%	3%	3%	2%	1%	0%	4%	23%	77%
<b>Black/Latino HH</b>		3%	5%	3%	3%	1%	1%	1%	5%	22%	78%
<b>Low-Mod Income HH</b>		1%	6%	3%	2%	1%	2%	2%	3%	21%	79%
<b>Low-Mod Income CT</b>		2%	5%	3%	4%	1%	2%	3%	4%	23%	77%
<b>Majority Non-White CT</b>		3%	5%	4%	6%	1%	1%	0%	6%	28%	72%
<b>Loans as % of MSA TOTAL IN:</b>											
	<b>AFI</b>	<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>City</b>	6%	11%	5%	9%	18%	6%	4%	1%	10%	6%	6%
<b>Black/Latino HH</b>	8%	18%	5%	10%	21%	6%	4%	3%	15%	7%	8%
<b>Low-Mod Income HH</b>	26%	30%	18%	39%	44%	15%	24%	17%	34%	24%	27%
<b>Low-Mod Income CT</b>	7%	10%	4%	11%	22%	5%	5%	6%	12%	7%	7%
<b>Majority Non-White CT</b>	3%	8%	2%	5%	14%	2%	1%	0%	7%	3%	3%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2021 Snapshot National Loan Level Dataset, as of 4/30/2022, downloaded from the HMDA Data Browser at: <https://ffiec.cfbp.gov/data-browser/data/2021?category=states&items=NY>

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

**Table 7: Top 8 Banks Home Purchase Originations 2021**

**Rochester, NY MSA**

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

Annual HMDA data	AFI	BOA	CNB	Citizens	Five Star	JPMC	KeyBank	Lyons NB	M&T	Top 8	OFI
<b>MSA</b>	11,804	148	915	114	207	118	152	327	310	2,291	9,513
<b>City</b>	1,389	50	95	25	87	16	14	4	74	365	1,024
<b>Black/Latino HH</b>	1,545	65	75	34	98	13	8	18	106	417	1,128
<b>Low-Mod Income HH</b>	5,151	97	349	62	164	42	53	106	179	1,052	4,099
<b>Low-Mod Income CT</b>	1,815	48	95	30	102	18	16	36	100	445	1,370
<b>Majority Non-White CT</b>	821	39	50	16	81	7	8	2	65	268	553
<b>MARKETSHARE</b>											
		<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>MSA</b>		1%	8%	1%	2%	1%	1%	3%	3%	19%	81%
<b>City</b>		4%	7%	2%	6%	1%	1%	0%	5%	26%	74%
<b>Black/Latino HH</b>		4%	5%	2%	6%	1%	1%	1%	7%	27%	73%
<b>Low-Mod Income HH</b>		2%	7%	1%	3%	1%	1%	2%	3%	20%	80%
<b>Low-Mod Income CT</b>		3%	5%	2%	6%	1%	1%	2%	6%	25%	75%
<b>Majority Non-White CT</b>		5%	6%	2%	10%	1%	1%	0%	8%	33%	67%
<b>Loans as %</b>											
<b>of MSA TOTAL IN:</b>	<b>AFI</b>	<b>BOA</b>	<b>CNB</b>	<b>Citizens</b>	<b>Five Star</b>	<b>JPMC</b>	<b>KeyBank</b>	<b>Lyons NB</b>	<b>M&amp;T</b>	<b>Top 8</b>	<b>OFI</b>
<b>City</b>	12%	34%	10%	22%	42%	14%	9%	1%	24%	16%	11%
<b>Black/Latino HH</b>	13%	44%	8%	30%	47%	11%	5%	6%	34%	18%	12%
<b>Low-Mod Income HH</b>	44%	66%	38%	54%	79%	36%	35%	32%	58%	46%	43%
<b>Low-Mod Income CT</b>	15%	32%	10%	26%	49%	15%	11%	11%	32%	19%	14%
<b>Majority Non-White CT</b>	7%	26%	5%	14%	39%	6%	5%	1%	21%	12%	6%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) 2021 Snapshot National Loan Level Dataset, as of 4/30/2022, downloaded from the HMDA Data

Browser at: <https://ffiec.cfpb.gov/data-browser/data/2021?category=states&items=NY>

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

**Table 8: Citizens Bank Small Business Lending 2018-2020**

**Rochester NY MSA (Inside and Outside Assessment Area)**

Number of Loans	2018	2019	2020	2019-2020		2018-2020	
				# change	% change	# change	% change
Rochester MSA Total	315	267	977	710	266%	662	210%
Rochester MSA in LMI CT	58	61	208	147	241%	150	259%
Loan Amt <= \$100,000	300	255	912	657	258%	612	204%
Loan Amt <= \$100,000 in LMI CT	57	54	191	137	254%	134	235%
Bus. w. GAR < \$1 M	275	225	720	495	220%	445	162%
Bus. w. GAR < \$1 M in LMI CT	52	49	156	107	218%	104	200%
				<b>AFI</b>			
% of Rochester MSA Loans In:	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>			
Rochester MSA in LMI CT	18%	23%	21%	19%			
Loan Amt <= \$100,000	95%	96%	93%	87%			
Loan Amt <= \$100,000 in LMI CT	18%	20%	20%	16%			
Bus. w. GAR < \$1 M	87%	84%	74%	33%			
Bus. w. GAR < \$1 M in LMI CT	17%	18%	16%	6%			
<b>Aggregate Amount of Loans (Millions of Dollars)</b>				<b>2019-2020</b>	<b>2019-2020</b>	<b>2018-2020</b>	<b>2018-2020</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b># change</b>	<b>% change</b>	<b># change</b>	<b>% change</b>
Rochester MSA Total	\$11.86	\$11.93	\$37.42	\$25.48	214%	\$25.55	215%
<i>Avg Loan Size (in thousands)</i>	\$37.66	\$44.69	\$38.30	-\$6.40	-14%	\$0.64	2%
Rochester MSA in LMI CT	\$1.79	\$4.56	\$8.99	\$4.43	97%	\$7.20	402%
Loan Amt <= \$100,000	\$6.56	\$6.54	\$20.79	\$14.26	218%	\$14.24	217%
Loan Amt <= \$100,000 in LMI CT	\$1.64	\$1.53	\$4.15	\$2.62	171%	\$2.51	153%
Bus. w. GAR < \$1 M	\$6.27	\$5.62	\$20.48	\$14.86	265%	\$14.21	227%
Bus. w. GAR < \$1 M in LMI CT	\$1.37	\$1.31	\$4.91	\$3.60	275%	\$3.55	260%
				<b>AFI</b>			
% of Rochester MSA Loans In:	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>			
Rochester MSA in LMI CT	15%	38%	24%	22%			
Loan Amt <= \$100,000	55%	55%	56%	33%			
Loan Amt <= \$100,000 in LMI CT	14%	13%	11%	6%			
Bus. w. GAR < \$1 M	53%	47%	55%	20%			
Bus. w. GAR < \$1 M in LMI CT	12%	11%	13%	4%			

Source: FFIEC CRA Small Business data.

**Table 9: Top 8 Banks Small Business Lending, 2020**  
**Top 8 Depositories, Rochester, NY MSA**

Number of Loans												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
<b>Number of Loans Ranking</b>												
Rochester MSA Total	22,131	926	4,829	977	340	751	2,026	1,342	2,693	13,544	13,884	8,247
Rochester MSA in LMI CT	4,119	196	928	208	54	131	332	289	523	2,607	2,661	1,458
Loan Amt <= \$100,000	19,178	854	4,023	912	256	575	1,909	1,035	1,938	11,246	11,502	7,676
Loan Amt <= \$100,000 in LMI CT	3,456	175	750	191	37	97	307	199	353	2,072	2,109	1,347
Bus. w. GAR < \$1 M	7,409	482	542	720	84	408	1,040	540	1,161	4,893	4,977	2,432
Bus. w. GAR < \$1 M in LMI CT	1,310	104	97	156	8	65	171	97	207	897	905	405
<b>Marketshare</b>												
	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI	
Rochester MSA Total	4.2%	21.8%	4.4%	1.5%	3.4%	9.2%	6.1%	12.2%	61.2%	62.7%	37.3%	
Rochester MSA in LMI CT	4.8%	22.5%	5.0%	1.3%	3.2%	8.1%	7.0%	12.7%	63.3%	64.6%	35.4%	
Loan Amt <= \$100,000	4.5%	21.0%	4.8%	1.3%	3.0%	10.0%	5.4%	10.1%	58.6%	60.0%	40.0%	
Loan Amt <= \$100,000 in LMI CT	5.1%	21.7%	5.5%	1.1%	2.8%	8.9%	5.8%	10.2%	60.0%	61.0%	39.0%	
Bus. w. GAR < \$1 M	6.5%	7.3%	9.7%	1.1%	5.5%	14.0%	7.3%	15.7%	66.0%	67.2%	32.8%	
Bus. w. GAR < \$1 M in LMI CT	7.9%	7.4%	11.9%	0.6%	5.0%	13.1%	7.4%	15.8%	68.5%	69.1%	30.9%	
<b>Percentage of Rochester MSA Loans In:</b>												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Rochester MSA in LMI CT	18.6%	21.2%	19.2%	21.3%	15.9%	17.4%	16.4%	21.5%	19.4%	19.2%	19.2%	17.7%
Loan Amt <= \$100,000	86.7%	92.2%	83.3%	93.3%	75.3%	76.6%	94.2%	77.1%	72.0%	83.0%	82.8%	93.1%
Loan Amt <= \$100,000 in LMI CT	15.6%	18.9%	15.5%	19.5%	10.9%	12.9%	15.2%	14.8%	13.1%	15.3%	15.2%	16.3%
Bus. w. GAR < \$1 M	33.5%	52.1%	11.2%	73.7%	24.7%	54.3%	51.3%	40.2%	43.1%	36.1%	35.8%	29.5%
Bus. w. GAR < \$1 M in LMI CT	5.9%	11.2%	2.0%	16.0%	2.4%	8.7%	8.4%	7.2%	7.7%	6.6%	6.5%	4.9%
<b>Total Amount of Loans (Millions of Dollars)</b>												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
<b>Dollar Volume of Lending Ranking</b>												
Rochester MSA Total	\$1,285.41	\$40.16	\$343.80	\$37.42	\$30.99	\$71.48	\$67.60	\$122.29	\$302.17	\$984.91	\$1,015.90	\$269.51
Avg Loan Size (in thousands)	\$58.08	\$43.37	\$71.19	\$38.30	\$91.15	\$95.17	\$33.37	\$91.12	\$112.21	\$72.72	\$73.17	\$32.68
Rochester MSA in LMI CT	\$279.95	\$8.88	\$77.13	\$8.99	\$7.72	\$13.45	\$13.42	\$34.25	\$68.46	\$224.58	\$232.29	\$47.65
Loan Amt <= \$100,000	\$418.35	\$17.10	\$116.77	\$20.79	\$8.89	\$18.48	\$32.79	\$31.20	\$65.82	\$302.94	\$311.83	\$106.52
Loan Amt <= \$100,000 in LMI CT	\$78.90	\$3.34	\$23.24	\$4.15	\$1.38	\$3.17	\$6.14	\$6.68	\$12.27	\$58.99	\$60.37	\$18.53
Bus. w. GAR < \$1 M	\$260.72	\$12.33	\$38.75	\$20.48	\$6.60	\$24.31	\$15.77	\$20.73	\$62.05	\$194.41	\$201.00	\$59.71
Bus. w. GAR < \$1 M in LMI CT	\$49.85	\$2.69	\$6.38	\$4.91	\$0.34	\$4.22	\$3.20	\$4.48	\$14.04	\$39.91	\$40.25	\$9.60
<b>Marketshare</b>												
	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI	
Rochester MSA Total	3.1%	26.7%	2.9%	2.4%	5.6%	5.3%	9.5%	23.5%	76.6%	79.0%	21.0%	
Rochester MSA in LMI CT	3.2%	27.6%	3.2%	2.8%	4.8%	4.8%	12.2%	24.5%	80.2%	83.0%	17.0%	
Loan Amt <= \$100,000	4.1%	27.9%	5.0%	2.1%	4.4%	7.8%	7.5%	15.7%	72.4%	74.5%	25.5%	
Loan Amt <= \$100,000 in LMI CT	4.2%	29.4%	5.3%	1.8%	4.0%	7.8%	8.5%	15.6%	74.8%	76.5%	23.5%	
Bus. w. GAR < \$1 M	4.7%	14.9%	7.9%	2.5%	9.3%	6.0%	8.0%	23.8%	74.6%	77.1%	22.9%	
Bus. w. GAR < \$1 M in LMI CT	5.4%	12.8%	9.8%	0.7%	8.5%	6.4%	9.0%	28.2%	80.1%	80.7%	19.3%	
<b>Percentage of Rochester MSA Loans In:</b>												
	AFI	BOA	CNB	Citizens	Cmty Bk	Five Star	JPMC	KeyBank	M&T	Top 7	Top 8	OFI
Rochester MSA in LMI CT	21.8%	22.1%	22.4%	24.0%	24.9%	18.8%	19.9%	28.0%	22.7%	22.8%	22.9%	17.7%
Loan Amt <= \$100,000	32.5%	42.6%	34.0%	55.6%	28.7%	25.9%	48.5%	25.5%	21.8%	30.8%	30.7%	39.5%
Loan Amt <= \$100,000 in LMI CT	6.1%	8.3%	6.8%	11.1%	4.5%	4.4%	9.1%	5.5%	4.1%	6.0%	5.9%	6.9%
Bus. w. GAR < \$1 M	20.3%	30.7%	11.3%	54.7%	21.3%	34.0%	23.3%	17.0%	20.5%	19.7%	19.8%	22.2%
Bus. w. GAR < \$1 M in LMI CT	3.9%	6.7%	1.9%	13.1%	1.1%	5.9%	4.7%	3.7%	4.6%	4.1%	4.0%	3.6%
Notes: Lyons NB reported no loans, so included the next largest bank--Community Bank (Cmty Bk).												
AFI: All Financial Institutions												
OFI: Other Financial Institutions												
Prepared by: Empire Justice Center, 585-454-4060												

Table 10

Table 10a: Citizens Bank Community Development Lending, Investments and Grants and CRA Eligible Mortgage and Small Business Lending						
Eligible Mortgage and Small Business Lending						
Rochester MSA						
(in millions)						
2022 Exam Period (2019-2021)						
	Economic Development	Affordable Housing	Neighborhood Stabilization	Community Services	Financial Empowerment	Total
Community Development Loans	\$13.00	\$32.00				\$45.00
Community Development Investments		\$54.60				\$54.60
CRA-Eligible Grants/Donations	\$0.10			\$0.15	\$0.08	\$0.33
Subtotal	\$13.10	\$86.60	\$0.00	\$0.15	\$0.08	\$99.93
Mortgage Lending*		\$133.53				\$133.53
Small Business Lending**	\$51.36					\$51.36
<b>Total</b>	<b>\$64.46</b>	<b>\$220.13</b>	<b>\$0.00</b>	<b>\$0.15</b>	<b>\$0.08</b>	<b>\$284.81</b>
Note: * Includes all HMDA mortgage originations to low-moderate income households and/or in low-moderate census tracts for 2019-21 (unduplicated)						
** Includes CRA Small business loans in low-moderate income census tracts and to businesses with gross annual revenues under \$1 million for 2019-2020 (unduplicated). 2021 small business lending data was not publicly available, so was provided by Citizens (duplicated).						
Numbers provided by Citizens Bank, except for mortgage and 2019-2020 small business lending, which were calculated by Empire Justice Center. Division of CD loans into categories done by Empire Justice based on descriptions provided by bank.						

Table 10b: Percentage of Citizens Bank's Rochester MSA Deposits Reinvested in Community			
	Deposits (millions)	% Deposits Reinvested	
		Entire Exam Period	Annualized
2022 Exam Period (2019-2021)	\$1,844	15.45%	5.15%
2010 Exam Period (2007-2009)	\$1,644	3.85%	1.28%

Table 10c: Citizens Bank Deposits Versus CRA-Related Reinvestments & % Deposits Reinvested in the Rochester NY Community				
	Deposits (millions)	Total Reinvestments (millions)	Annualized Reinvestments (millions)	Annualized % Deposits Reinvested
2022 Exam Period (Oct 2019-2021)	\$1,844	\$285	\$95	5.15%
2010 Exam Period (2007-2009)	\$1,644	\$63	\$21	1.28%
2010-2022 Difference (#)	\$200	\$222	\$74	3.87%
2010-2022 Difference (%)	12%	350%	350%	301%