

PUBLIC DISCLOSURE

February 4, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Interaudi Bank
24516**

**19 East 54th Street
New York, New York 10022**

**Federal Deposit Insurance Corporation
New York Regional Office
350 Fifth Avenue, Suite 1200
New York, New York 10118**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area in a manner consistent with its resources and capabilities. The following summarizes the bank's performance.

Since the previous FDIC CRA performance evaluation, conducted on November 23, 2009, this institution has exhibited an adequate responsiveness to the community development needs of its assessment area in a manner that is consistent with its resources and capabilities. The bank's performance was evaluated under the Wholesale Bank evaluation procedures using the Community Development Test. The Community Development Test considers community development loans, community development investments, and community development services.

Overall, the institution has extended an adequate level of community development loans, qualified investments, and community development services within its assessment areas; however, none of these were especially innovative or complex. During the evaluation period, the bank extended approximately \$14.0 million in community development loans and commitments and approximately \$3.9 million in qualified investments and grants. Combined, these activities in the amount of approximately \$17.9 million represent approximately 1.4 percent of the bank's total assets of \$1.3 billion as of December 31, 2012. In addition, the bank has participated in a reasonable amount of community development services.

Wholesale and Limited Purpose Performance Evaluation

community economic development needs. The amount of investments and donations extended during the evaluation period totaled \$1.5 million, or 0.1 percent of total assets as of December 31, 2012. The following are descriptions of the bank's qualified investments.

- In November 2009, Intermediary invested \$2.6 million in a pool of mortgages from Bank of America. The pool of mortgages includes properties in both of the bank's assessment areas, with 15 percent of the mortgages located within the New York assessment area. All of the mortgages are to low- or moderate-income borrowers. At the time of the investment, the original balance of the mortgages in the New York assessment area totaled \$699,813, and the current balance of the investment is \$415,630.
- In October 2012, Intermediary invested \$1.0 million in the Solomon Hess SBA Loan Fund, which has been certified as a Community Development Entity by the Community Development Financial Institutions (CDFI) fund. The fund is an active buyer of low- or moderate-income (LMI)/Community Development loans with the mission of promoting economic development by supporting job creation and retention in LMI geographies. The fund consists of Small Business Administration (SBA) guaranteed community development loans. Of the total, \$500,000 of this investment is allocated to loans in the bank's New York assessment area.
- Intermediary maintains a \$250,000 deposit held in a Money Market account at Carver Federal Savings Bank. This bank is a Certified Community Development Financial Institution (CDFI) located in New York City. As a CDFI, Carver Federal Savings Bank uses deposits to fund economic development, affordable housing, and financial services to underserved communities.

Grants and Donations

During the evaluation period, the bank provided qualifying grants and donations totaling approximately \$41,500 to various local community development organizations serving its New York assessment area. The following provides a description of a few of the recipients.

- Since the previous evaluation, the bank has granted \$25,000 to the local New York City chapter of Neighborhood Housing Services, a national housing organization that specializes in providing affordable housing, homeownership programs, and services to low- and moderate-income individuals.
- Intermediary provided grants totaling \$8,750 to the Kennedy Child Study Center, a non-profit organization that provides assistance and services to young children experiencing significant difficulties in learning and other areas of early childhood development. The center also provides services to support the parents/caregivers of the children. The center maintains one location in Manhattan and one location in the Bronx, and primarily serves low-to-moderate income children.