



## PUBLIC DISCLOSURE

November 03, 2014

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Patriot National Bank  
Charter Number 22545

900 Bedford Street, Stamford, CT 06901

Office of the Comptroller of the Currency

1600 Plaza Five - Jersey City, NJ 07311

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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'S CRA RATING: This institution is rated Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

The primary factors supporting the overall rating are as follows:

- Patriot National Bank's quarterly average loan-to-deposit ratio is reasonable given its size and financial condition, as well as the credit needs within the assessment areas.
- The Bank originated a majority of its loans inside its assessment areas.
- The penetration of loans to businesses of different sizes and borrowers of different income levels is reasonable given economic conditions and the dispersion of other lenders within the bank's assessment areas.
- The geographic distribution of loans is reasonable.
- Community development activities, as a whole, demonstrate adequate responsiveness to the needs within the assessment areas given the Bank's capacity and community development opportunities within the assessment area.
- The Connecticut ratings were given more weight than the New York ratings because the Bank primarily conducts business within Connecticut.

## **Scope of Examination**

The objective of this review was to evaluate Patriot National Bank's (PNB) performance under the Community Reinvestment Act (CRA). PNB was evaluated under the Intermediate Small Bank assessment, which includes a lending test and a community development (CD) test. The lending test evaluates the Bank's record of meeting the credit needs of its assessment areas through its lending activities from January 1, 2012 through September 30, 2014. Due to the changes in the Metropolitan Area definitions and boundaries, effective January 1, 2014, we evaluated 2014 lending activities separately from the 2012 and 2013 lending activities. The Bank originated 126 residential mortgage loans in 2012 and 2013, totaling \$88.78 million, and 20 residential mortgage loans in 2014, totaling \$4.46 million. Additionally, PNB originated 141 business loans, totaling \$36.75 million, in 2012 and 2013, and 103 business loans, totaling \$19.39 million, in 2014, through September 30. The CD test evaluates the Bank's responsiveness to CD needs within its assessment areas through CD lending, investments, and service activities. The review period for CD activities is October 3, 2011 through November 3, 2014.

PNB's primary loan products are business and residential mortgage loans, including home purchases, home improvements, and refinances. The Bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). A data integrity

within the assessment area; 100 percent of refinance loans were located in low- and moderate-income geographies.

Table 3a - Geographic Distribution of Residential Real Estate Loans in Bridgeport-Stamford-Norwalk 2014								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	5.53	0.00	16.85	50.00	38.29	50.00	39.32	0.00
Home Refinance	5.53	66.67	16.85	33.33	38.29	0.00	39.32	0.00
Home improvements	5.53	0.00	16.85	25.00	38.29	12.50	39.32	62.50

### Response to Complaints

There were no CRA-related complaints filed during the evaluation period.

### COMMUNITY DEVELOPMENT TEST

PNB’s performance under the community development (CD) test in the Bridgeport-Stamford-Norwalk MSA assessment area is satisfactory. The Bank’s activities demonstrate adequate responsiveness to the community development needs within the assessment area.

#### Number and Amount of Community Development Loans

The number and dollar amount of qualified loans PNB originated is adequately responsive to the needs of the assessment area. PNB originated seven loans to businesses and not for profit organizations, totaling \$11.6 million, to finance affordable housing, economic development, and other community needs during the evaluation period. In addition, PNB contributed roughly \$2 million into the Solomon Hess Fund with a total of \$4.39 million CD loans allocated to PNB, as of September 30, 2014. The Solomon Hess Fund is a Community Development Financial Institution promoting economic development in low- and moderate-income geographies. All loans qualify as CD loans under the CD definition in the CRA guiding regulation (12 CFR 25).

#### Number and Amount of Qualified Investments

The number and dollar amount of qualified investments demonstrates adequate responsiveness to community needs within the assessment area. During 2012 and 2013, PNB was unable to make any qualifying CD investments due to the Bank’s financial performance. Therefore, more emphasis was placed on 2014, when the Bank’s financial performance allowed for CD investments. During 2014, PNB made nine qualified investments to various organizations in the assessment area, totaling \$22.5 thousand. These organizations focus on providing affordable housing and promoting community development through various programs targeted towards low- and moderate-income individuals and geographies.