

General Information

PUBLIC DISCLOSURE

March 30, 2009

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Federal Trust Bank
420 West First Street
Sanford, FL 32771
Docket #: 08484**

**Office of Thrift Supervision
Southeast Region
1475 Peachtree Street, N.E.
Atlanta, Georgia 30309**

NOTE: This document is an evaluation of record of Federal Trust Bank (Federal Trust or institution) in meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation. This evaluation is not, nor should it be construed as, an assessment of the financial condition of Federal Trust. The rating assigned herein does not represent an analysis, conclusion, or opinion of the Office of Thrift Supervision (OTS) concerning the safety and soundness of this institution.

CRA Rating Definitions

Overall Rating

INSTITUTION'S CRA RATING: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Outstanding**

At the preceding CRA evaluation, conducted as of June 26, 2006, Federal Trust Bank was assigned a CRA rating of "Satisfactory record of meeting community credit needs." Based on the institution's size and OTS regulations at that time, Federal Trust was evaluated under the procedures for small savings associations. At the current examination, Federal Trust meets the definition of an intermediate small savings association (ISSA), and, as a result, is evaluated under the lending and community development tests.

During the review period, Federal Trust maintained a strong loan-to-deposit (LTD) ratio that averaged 119.75 percent. The LTD ratio was 11.95 percent lower than the LTD ratio of 131.7 percent from the preceding CRA evaluation; nevertheless, Federal Trust continues to have a significantly higher LTD ratio than that of similarly sized savings associations within the OTS's Southeast Region. The borrower income distribution of lending was strong compared to that of other lenders and in view of the assessment areas' demographic characteristics. Federal Trust's Home Mortgage Disclosure Act (HMDA) lending reflected a good penetration of low- and moderate-income (LMI) census tracts within the assessment areas. The institution made a reasonable number of small business loans, which adequately penetrated LMI census tracts.

Federal Trust originated an array of community development loans during the review period, primarily on multifamily housing projects that provide affordable housing for LMI families. The institution's qualified investments mainly involve the Senior Housing Crime Prevention Foundation and donations to local community groups. Management and employees have provided the community with financial and homeownership counseling along with serving alongside community groups.

No complaints regarding the institution's performance under the CRA were filed during the review period, and no violations of the substantive provisions of the antidiscrimination laws and regulations were identified at its most recent examination.

CRA Rating Definitions (continued)

The percentage of Federal Trust's mortgage lending within LMI census tracts during the review period was strong compared to the percentage of OOHUs within those tracts, and surpassed the performance of other lenders in the same assessment areas during calendar years 2006 and 2007. The institution's level of small business lending in LMI census tracts was adequate considering the proportion of small businesses located in those tracts. Therefore, the examiner concludes that the geographic distribution of Federal Trust's loans exceeds the standards for satisfactory performance.

Community Development Lending

Since the preceding evaluation, Federal Trust originated 23 loans that have community development as their primary purpose totaling \$13.4 million, which were all located in the institution's assessment areas. These loans include the following:

Florida Community Partners (Lending Consortium), Winter Park, Florida: Twelve loans totaling \$2,397,959. The proceeds of the loans are used to provide affordable housing for LMI individuals in the institution's assessment areas. Florida Community Partners is a not for profit corporation created by Florida financial institutions to support the creation of affordable housing and other related community development initiatives in Central Florida.

Senior Housing Crime Prevention Foundation, Inc., Daytona Beach, Florida: Three loans totaling \$1,350,000. The proceeds of the loans are used to support the Senior Crime Stoppers Program for LMI seniors residing in nursing homes and senior housing residences in Volusia County. The equity investments made during the review period benefited almost exclusively the Senior Housing Crime Prevention Foundation. Grants were made during the review period to the following organizations:

- Good Samaritan Home of Sanford
- Seminole Community College Foundation
- Central Care Mission
- We Care Bridging Gaps
- Habitat for Humanity, Seminole County
- Meals on Wheels
- SCORE – Counselors to America's Small Businesses