



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

October 26, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Jeffersonville
Charter Number: 10456

4866 State Route 52
Jeffersonville, NY 12748

Office of the Comptroller of the Currency

New York Metro East Field Office
343 Thornall St., Suite 610
Edison, NJ 08837

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 rating include:

- The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs;
- A substantial majority of loans are in the bank's AA;
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels;
- The geographic distribution of loans reflects reasonable dispersion throughout the AA; and
- The bank's level of community development (CD) activities demonstrates adequate responsiveness given its size and capacity, and the community needs and opportunities of the AA.

Scope of Examination

An assessment of The First National Bank of Jeffersonville (FNBj) was performed under the lending and community development (CD) tests. The evaluation period for the Lending Test is from January 1, 2007 to June 30, 2009. We sampled 31 mortgage loans upon which we based the bank's performance. Home mortgage lending was reviewed as this was considered the bank's primary lending product. The evaluation period for CD activities, including CD loans, qualified investments, and CD services, is from November 28, 2006, to October 26, 2009.

Description of Institution

FNBj, originally founded in 1913, is an intrastate community bank with its main office headquartered in Jeffersonville, New York (NY). All of FNBj's operations take place in Sullivan County, NY, which is the bank's only AA. As of June 30, 2009, FNBj had total assets of \$415 million. FNBj is a wholly owned subsidiary of Jeffersonville Bancorp, a one-bank holding company, which is also headquartered in Jeffersonville, NY.

FNBj has ten branch offices, which includes the branch located in the main office. All branches have ATM facilities and Saturday banking hours. The bank also offers internet banking, telephone banking, and bill pay services. In addition, the website provides information on branch locations, hours of operation, and bank products. There

Table 3 - Geographic Distribution of Residential Real Estate Loans in Sullivan County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% 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 mortgages	0%	0.00%	4.83%	3.23%	68.51%	70.97%	26.65%	25.81%

Source: Loan sample; 2000 U.S. Census Data.

Responses to Complaints

There were no CRA related complaints about the bank’s performance in meeting AA credit needs during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The Community Development (CD) Test for the bank is rated “Satisfactory”. The bank demonstrates adequate responsiveness to CD needs of its AA through CD lending, investments, and services. Qualified loans and investments totaled approximately \$4 million or 9% of tier-one capital.

Community Development Loans

The bank originated 51 loans which amounted to \$990 thousand during the evaluation period. The CD loans were made to various low- and moderate-income individuals (LMI), community service programs, and economic development programs. Examples of CD loans include:

- 38 loans totaling \$162 thousand to LMI individuals as part of a program to provide funding to purchase an affordable vehicle to go to work in order to help these individuals keep their jobs.
- 10 loans totaling approximately \$462 thousand to a private, non-profit organization that assists banks in providing community development financing.

Qualified Investments

A total of four qualified investments amounting to \$3.02 million were made during the evaluation period that benefited Sullivan County. The majority of the contributions were made to a program that provides crime prevention for senior citizens. Other investments were made to an economic development program.

Community Development Services

FNBj operates ten full service branches, none of which are located in the two moderate-income census tracts within its AA. However, all branches are easily accessible throughout Sullivan County, operate under uniform business hours, and