

July 16, 2014

VIA EMAIL & OVERNIGHT DELIVERY

Sandya Reddy
Acting Director for District Licensing
Office of the Comptroller of the Currency
340 Madison Avenue, Fifth Floor
New York, New York 10173

Re: Application of Valley National Bank to merge 1st United Bank, Boca Raton, FL with and into Valley National Bank, Passaic, NJ (the **Application**);
Charter No. 15790; OCC Control No.: 2014-NE-Combination-13857

Dear Ms. Reddy:

Valley National Bank (**Valley**) is pleased to submit this letter in response to your letter addressed to my attention dated July 3, 2014. In your letter, the Office of the Comptroller of the Currency (**OCC**) requested that Valley provide certain additional information regarding the Application. The following are Valley's responses to the OCC's questions. For clarity purposes, the questions posed by the OCC are restated below in their entirety in italics with each of Valley's responses.

Since it was founded in 1927, Valley has operated primarily as a commercial bank. Recognizing a need to serve the communities in which it operates on a more complete basis, Valley expanded its product offerings over time to include a full complement of residential mortgage and other consumer loan programs. For more than 80 years, Valley's management team and employees have been listening to customers and learning about their individual needs and financial goals. Valley is committed to providing the most convenient service, the latest product innovations, and the courtesy of an experienced and knowledgeable staff to its business and consumer customers. Upon consummation of the merger, Valley intends to extend the same philosophy and full service approach to the markets in which 1st United Bank operates in Florida.

Confidentiality of Certain Information

Pursuant to the express provisions OCC Regulations 12 C.F.R. § 5.9 and 12 C.F.R. § 4.12, Valley hereby requests that certain information included in this document be treated as confidential under the Freedom of Information Act (5 U.S.C. § 552). Specifically, Valley hereby requests that with respect to the Responses provided by Valley below to OCC questions 7, 9, 10, 11 and 12, the following information be treated as confidential and not publicly disclosed as part of the Application or Application file:

- 1. The names of all non-Valley entities specifically identified in the Valley Responses to OCC questions 7, 9, 10, 11 and 12;**

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Valley has incorporated tax credit investments in its overall long-term financial strategy and evaluates new investment opportunities as tax capacity allows. Valley also provides or has recently provided funding to three multifamily lending intermediaries: [REDACTED], [REDACTED], and [REDACTED].

Valley currently provides a \$ [REDACTED] million warehouse line of credit to [REDACTED] Corporation for the origination of multifamily loans under Fannie Mae's Delegated Underwriting and Servicing bond program (DUS). This funding provides affordable multifamily developers that are constructing or renovating projects with guaranteed permanent takeout loans. Valley and other banks purchase Fannie Mae's resulting mortgage-backed bonds which serve as the final financing for the projects, many of which are HUD Section 8 subsidized rental buildings. Valley is also a participant in a \$ [REDACTED] million funding facility for [REDACTED]. The participation funds bridge transactions for multifamily housing facilities that will eventually meet FHA standards. FHA is the repayment mechanism and [REDACTED] works with their borrowers to meet FHA standards. They are on the books for up to two years.

Since July 2010, Valley has funded [REDACTED] such transactions totaling \$ [REDACTED] billion on the warehouse line. Virtually every advance was to fund a mortgage for multifamily housing which was to be sold very shortly to Fannie Mae. These deals are in our assessment area as well as nationwide. Loans are for multifamily housing facilities and are generally below \$3 million. [REDACTED] does more "small balance" loan business than any of the other 24 DUS lenders licensed by Fannie Mae in the US.

Approximate annual advances to [REDACTED] were as follows:

2011 - \$ [REDACTED] mm
2012 - \$ [REDACTED] mm
2013 - \$ [REDACTED] mm
2014 - \$ [REDACTED] mm

Valley anticipates that the credit facility will be used more extensively over the next 6 - 12 months as multifamily construction increases nationally.

In addition to funding [REDACTED], Valley has also had a funding relationship with [REDACTED], [REDACTED], [REDACTED]. [REDACTED] was organized in 2005 in New York to facilitate transactions under the Fannie Mae Delegated Underwriting and Servicing (DUS) Program. Valley funded [REDACTED] with a \$ [REDACTED] million warehouse line of credit facility. The facility supported [REDACTED]'s origination of mortgage loans secured by multifamily properties and selling the loans to Fannie Mae as an approved DUS lender. [REDACTED] advanced up to 80% against the appraised value of the multifamily properties. The warehouse line of credit provided short-term funding of multifamily mortgage loans committed for sale to Fannie Mae for either cash or in exchange for mortgage-backed securities issued by Fannie Mae which were pre-sold to third-party institutional investors, with the proceeds retiring the LOC advances.

Valley funded 95 short-term transactions in 2012 and 13 transactions in 2013. Approximate annual advances to [REDACTED] were as follows:

2011 - \$ [REDACTED] mm
2012 - \$ [REDACTED] mm

2013 - \$ [REDACTED] mm

2014 - [REDACTED]

Valley currently has extended a \$ [REDACTED] million facility to [REDACTED], which is a not-for-profit lender that funds construction of new and rehabilitation of existing multifamily stock almost exclusively in LMI geographies in New York City and New York State. Valley is part of a \$ [REDACTED] million Repurchase Agreement led by [REDACTED]. The agreement is for two years and revolves as construction funding is paid off largely via long term lenders including pension funds, insurance companies and banks.

Separately, Valley holds pieces of about [REDACTED] Collateral Trust Notes totaling \$ [REDACTED] million. These are long-term instruments secured by [REDACTED]'s mortgages on affordable multifamily housing buildings in New York and New Jersey. The mortgages were originated by [REDACTED] and sold to a consortium of banks via the trust notes.

Also, Valley recently approved an additional facility for [REDACTED] for \$ [REDACTED] million to provide warehouse financing for [REDACTED] originated mortgages to be sold to Freddie Mac. Valley is negotiating the details of the documents and may have to make adjustments to its commitment which may require further approval by the bank's Credit Committee.

As Valley moves to Florida, Valley expects to be able to leverage the experience and familiarity that the current 1st United Bank staff has with developers of affordable multifamily housing to increase our collective presence in the various markets served by the combined entity. Valley has employees on staff that are familiar with tax-credit financing and have developed relationships with third-party providers who are also currently looking for investment opportunities in Florida. Valley's larger asset size will allow the bank to finance larger multifamily transactions but will not move the bank's focus away from the size and type of projects financed or currently under development by 1st United Bank.

8. *In general and specific to the MSAs, discuss any additional products and/or services that Valley offers that are targeted to LMI Individuals. Explain how these services are tailored to meet the needs of LMI individuals. In particular, describe the features of Valley's basic and low cost checking accounts. In addition, if known, describe how these products are marketed to ensure that they reach their targeted demographic. Describe how Valley intends to offer similar products and services in the Florida markets currently served by 1st United Bank.*

Valley Response:

All of Valley's consumer checking accounts include a Visa® Debit Card plus online, mobile and text banking, bill payment, mobile deposit, email and text alerts, telephone banking and either paper or electronic statements. Valley's online banking customers have the option of choosing English or Spanish in their profile settings.

Valley offers the following consumer checking accounts:

Basic Consumer Checking is designed for low income individuals who have limited check writing needs. It includes unlimited deposits and up to 8 checks per month. The minimum

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the organization with a \$ [REDACTED] operating grant. The same Valley officer also serves [REDACTED]'s parent organization as the treasurer of the board of directors including its executive committee and finance committee. The Valley officer has served on both boards for approximately ten years. During that time, Valley funded \$ [REDACTED] million for the acquisition of [REDACTED]'s [REDACTED] NY office building and, in 2013, \$ [REDACTED] for the acquisition of its office in [REDACTED]. Valley also provided a line of credit to fund end loans through the organization's small business lending CDFI named [REDACTED]. Valley has expressed its willingness to finance other projects for the organization but has been outbid by other banks for various projects.

[REDACTED] – Focuses on revitalizing LMI neighborhoods in [REDACTED] and [REDACTED], NJ through high-impact development of vacant, troubled properties. Valley partnered with [REDACTED] and participated in three Neighborhood Revitalization Tax Credits (NRTC) totaling \$600,000 in 2012 and 2013. Valley made \$250,000 and \$100,000 NRTC investments to support the redevelopment efforts of [REDACTED] in an [REDACTED], NJ non-profit, in the New York-White Plains-Wayne, NY-NJ MD (35644). The NRTC Program, administered by the NJ Department of Community Affairs, provides business entities a 100% tax credit for funds provided to non-profit entities carrying out comprehensive revitalization plans. Churchview Homes will provide four, affordable two-family homes for sale on South Center Street and a new single-family home around the corner on Taylor Street. The Bank made a second \$ [REDACTED] NRTC for projects named Berg-2 and Powerhouse in the Valley neighborhood. This is a reconstruction of a 1860s power generation building at 557 Nassau Street, Orange, NJ. This will become four arts-related commercial spaces. Funds were also used toward acquisition of the adjacent former Berg Hat Factory building where construction starting in the fall 2014 will create 32 condos and 5,400 Square feet of commercial space for artisans and small businesses in this economic development program.

[REDACTED] – This organization primarily serves LMI persons in the Ironbound section of Newark, NJ. The Ironbound section is 66% minority and the census tract is 67% of median income. Newark, overall, is 48% African-American and 35% Hispanic. Valley partnered with [REDACTED] in a \$400,000 Neighborhood Revitalization Tax Credit (NRTC) in 2012, which supported the redevelopment efforts of [REDACTED]'s comprehensive revitalization plan. Valley's participation assisted in the construction of an Early Head Start Center which will provide early childhood care and education campus for children 0-4 years old. [REDACTED]'s project description highlights the importance of the program in this community. "New Jersey's preschool programs for poor children – including those in Ironbound where children enter [REDACTED]'s preschool program on average 18-24 months behind in language and literacy development – are exemplary." [REDACTED] was awarded an Early Head Start Grant to provide services for 56 infants and toddlers and 16 pregnant women. The program will comply with Early Head Start performance Standards and New Jersey's Abbott expectations. The program will operate in 7 classrooms, a playground, and a supportive space. In addition, the plan will provide local residents with access to local employment opportunities, as the center provides job opportunities for local residents. This project will create or retain at least 25 full-time jobs for neighborhood residents, while also allowing neighborhood residents more access to services and provide a safe, nurturing and affordable place for their children while they are able to work. Parents are given support in finding employment.

██████████ – ██████████ is the state’s premier community development lending intermediary. ██████████ provides financing and technical assistance in support of affordable housing, educational facilities, and employment opportunities in underserved communities of New Jersey. The bank has made an ongoing \$██████████ “equity equivalent investment” in ██████████ giving it a greater capacity to lend. (Equity Equivalent Investment means funding that is fully-subordinated to all other debt taken on by ██████████. This “equity” lowers its debt-to-equity ratio which in turn, allows ██████████ to obtain additional debt financing. Valley is fully at risk for the funds which are not secured in any way.) ██████████’s borrowers are primarily nonprofit community organizations throughout New Jersey.

██████████ – ██████████ provides a comprehensive program of services for children, teens, families, and senior citizens as well as encourages neighborhood improvement through community outreach and housing development in the Vailsburg section of Newark. Valley made a \$██████████ line of credit to ██████████ in 2012 which provided working capital while they were working on acquiring land and eventually building a new Infant and Toddler Center at 1033 South Orange Avenue, Newark, NJ. The Infant Toddler and Center will serve children between 0 and 3 years of age and offer a scarce and much-needed program in the community. This will be the first Early Head Start Center in the Vailsburg neighborhood of Newark. The press release for the project can be found at <http://uvso.org/index.php/media-gallery/press-releases>.

██████████ – Revitalizes and stabilizes neighborhoods and families through affordable housing. Valley provides banking services and a line of credit to Paterson Habitat. A Valley Vice President serves on the Housing Policy and Neighborhood Design Committee. Valley has participated in the Corporate Challenge to raise money and provide services for ██████████ and sponsored a summer intern as part of ██████████’s internship program to provide work experience for the youth of Paterson, NJ.

Free Mortgage Loan Servicing. Valley services certain mortgage loans for ██████████ ██████████ homeowners in the assessment area at no charge. Valley also provides free mortgage servicing for residential mortgage loans originated by six other ██████████ affiliates and their homeowners. These free services enable ██████████ affiliates to use their scarce resources to develop more affordable housing, free up administrative capacity, and reduce the financial expense of servicing their own loans. The ██████████ affiliates, and the number of mortgages serviced, are listed in the chart below.

Affiliate	Mortgages Serviced
██████████	98
██████████	57
██████████	26
██████████	27
██████████	5
██████████	1
Total	214

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Valley engaged the services of a third-party to create and service other investments in New Markets Tax Credits and Low Income Housing Tax Credits. Through [REDACTED], Valley has closed 16 transactions in 11 states outside New Jersey and New York including: Arizona, Arkansas, Georgia, Illinois, Iowa, Louisiana, Mississippi, North Carolina, Ohio, Texas, and Virginia. All projects are located within Urban Enterprise Zones and/or distressed census tracts according to the New Markets Tax Credit criteria (>20% poverty and <80% median family income at a minimum). In total, the projects have or will have created approximately 1,225 full-time equivalent permanent jobs and approximately 2,230 full-time jobs during the construction of the projects. Project types include health care facilities, hospitality, charter school, mixed use, renewable energy and manufacturing. All projects target jobs and services toward low- to moderate-income people.

The bank directly invested \$2,240,546 in LIHTCs that produced 76 affordable garden style apartments in 7 buildings in Passaic, NJ called Chestnut Homes in 2013. Existing tenants were kept in place during renovation of their apartments. Permanent loan provided by NJ Housing and Mortgage Finance Agency.

The bank directly invested \$4,452,275 in LIHTCs in a 50 unit low-income housing development in Newark NJ called Roseville Commons in 2013. The project includes on-site social services provided by a nonprofit.

Valley's prior LIHTC transaction was a 2009 direct investment of \$15 million in an 80-unit low-income multifamily housing project in Newark NJ named Pacific Apartments. In addition to the tax-credit investments, Valley financed the construction of the project through a line of credit to the developer.

Valley had earlier invested \$25 million in three other projects located in New Jersey through syndicated low income housing tax credit investment funds.

10. *Provide a description of Valley's most impactful community development investments and loans, including any associated dollar amounts for the years 2012 and 2013. Explain why these investments and loans were the most impactful and who the beneficiaries of these investments and loans were, and the associated dollar amounts.*

Valley Response:

Valley's made an impactful investment of **\$8 million** in the equity funding in an economic development project in Elizabeth NJ through the use of New Markets Tax Credits. Valley worked for almost two years in developing this project which will provide 100 permanent jobs for LMI persons. Details are provided in a fuller description below. Other investments and loans that have had a strong impact on the lives of people in Valley's service areas are also discussed below.

Valley made a \$ [REDACTED] Line of credit to [REDACTED] in 2012. This loan provided [REDACTED] with working capital while it was working on acquiring land and eventually building a new Infant and Toddler Center at [REDACTED], Newark, NJ. The Infant and Toddler Center will serve children between 0 and 3 years of age and offer a scarce and much-needed program in the

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community. This will be the first Early Head Start Center in the [REDACTED] neighborhood of Newark. Greater than 95% of Newark's census tracts are LMI and high-minority; the city's population is 48% African-American and 35% Hispanic. The press release for the project can be found at [REDACTED]

Valley made a \$ [REDACTED] million loan in 2012 loan for the development of a project named [REDACTED] [REDACTED] to construct two residential buildings and rehabilitate five existing properties for LMI households in Orange, NJ. These properties will supply 46 affordable units, 28 of which will be for very low-income tenants. There will be 31 newly constructed units and 15 rehabilitated units. The loan enabled the development of 46 affordable units in a city that is predominately low- and moderate-income and high minority. Greater than 85% of Orange's census tracts are LMI and high-minority. The development's website is [REDACTED].

Valley made an \$ [REDACTED] loan in 2013 to [REDACTED] [REDACTED] a subsidiary of [REDACTED] for the acquisition of [REDACTED]'s new office in Brooklyn, NY. The office building is situated in the Sunset Park neighborhood of Brooklyn which is the 3rd largest Asian community in New York City. The office allows [REDACTED] and [REDACTED] to provide its lending and social services to this rapidly growing Asian immigrant, primarily LMI neighborhood. Valley made a \$400,000 NJ Neighborhood Revitalization Tax Credit (NRTC) Investment in 2012 to support the redevelopment efforts of the [REDACTED] [REDACTED], a [REDACTED] nonprofit organization in the Newark-Union, NJ-PA MD (35084). The NRTC Program, administered by the NJ Department of Community Affairs, provides business entities a 100% tax credit for funds provided to nonprofit entities carrying out comprehensive revitalization plans that have been qualified by the state government's Community Development Department. Valley's participation assisted in the construction of an Early Head Start Center in the Ironbound neighborhood of Newark, NJ. The center will be an early childhood care and education campus for children 0-4 years old. [REDACTED]'s project description highlights the importance of the program in this community. "New Jersey's preschool programs for poor children – including those in Ironbound where children enter [REDACTED]'s preschool program on average 18-24 months behind in language and literacy development – are exemplary." [REDACTED] was awarded an Early Head Start Grant to provide services for 56 infants and toddlers and 16 pregnant women. The program will comply with Early Head Start performance Standards and Abbott expectations. The program will operate in 7 classrooms, a playground, and a supportive space. In addition, local residents will have access to local employment opportunities, as the center provides job opportunities for local residents. This project will create or retain at least 25 full-time jobs for neighborhood residents, while also allowing neighborhood residents more access to services and provide a safe, nurturing and affordable place for their children while they are able to work. Parents are given support in finding employment.

Valley made a \$250,000 NJ Neighborhood Revitalization Tax Credit (NRTC) investment in 2012 to support the redevelopment efforts of [REDACTED] [REDACTED] an [REDACTED] NJ, non-profit, in the New York-White Plains-Wayne, NY-NJ MD (35644). The NRTC Program, administered by the NJ Department of Community Affairs, provides business entities a 100% tax credit for funds provided to non-profit entities carrying out comprehensive revitalization plans. Churchview Homes which will provide four, affordable

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two-family homes for sale on South Center Street and a new single-family home around the corner on Taylor Street. Increasing homeownership in this neighborhood is vitally important. Funds are also supporting a neighborhood mural project. Greater than 85% of Orange's census tracts are LMI and high-minority.

Valley made an **\$8,000,000** New Markets Tax Credit investment in an economic development initiative in Elizabeth, NJ in 2012 to the Elizabeth Development Company (35084). The tax credit helped fund the construction of a modern, state-of-art refrigerated warehouse designed specifically for [REDACTED]. The warehouse will be refrigerated and will also contain approximately 16,000 sq. ft. of office space for [REDACTED]. The site will provide reconfigured parking areas for tractors, trailers and cars, and approximately 111 car parking spaces. The project is being constructed on approximately 10.75 acres, a portion of which contained a building that was demolished. There is an anticipated increase in demand for local goods and services which will be served by providing 100 permanent jobs to a previously vacant location. Permanent jobs will pay on average \$11/hour, include health benefits and offer a 401k plan, as well as opportunities for career advancement. These jobs are well suited to low- or moderate-income persons in the area. The development of this project complements other recent redevelopment efforts in the area and will encourage additional redevelopment in this Urban Enterprise Zone of Elizabeth, NJ. Greater than 96% of Elizabeth's census tracts are LMI and high-minority.

Valley engaged the services of a third-party to help Valley to source and service other investments in New Markets Tax Credits and Low Income Housing Tax Credits. Through the bank's investment entity named [REDACTED], Valley has closed 16 transactions in 11 states outside New Jersey and New York including: Arizona, Arkansas, Georgia, Illinois, Iowa, Louisiana, Mississippi, North Carolina, Ohio, Texas, and Virginia. All projects are located within Urban Enterprise Zones and/or distressed census tracts according to the New Markets Tax Credit criteria (>20% poverty and <80% median family income at a minimum). In total, the projects have or will have created approximately 1,225 full-time equivalent permanent jobs and approximately 2,230 full-time jobs during the construction of the projects. Project types include health care facilities, hospitality, charter school, mixed use, renewable energy and manufacturing. All projects target jobs and services toward low- to moderate-income people.

The bank invested over \$100 million in GNMA loans from 2012 to 2014. Though the primary purpose of FHA loans underlying the GNMA securities are not 100% to LMI households, FHA loans have been the primary source of home loans for LMI households since Fannie Mae and Freddie Mac pulled back on their affordable housing programs following the financial crisis.

In addition to the information above, Valley has financed the operations of the following philanthropic institutions and social service organizations:

- The bank invested \$400,000 with the [REDACTED]'s programs that serve its Early Head Start Center in Newark, NJ. The center will provide services for 56 infants and toddlers and 16 pregnant women in seven classrooms, a playground and a supportive space. In addition, the center will provide at least 25 job opportunities for local residents and allow neighborhood residents with access to child care which enables them to work. In addition, parents are given support in finding employment.
- In a similar project, Valley provided a \$ [REDACTED] line of credit to [REDACTED] in Newark which provided working capital as it was acquiring land and building a new Infant and Toddler Center at [REDACTED], Newark, NJ. The Infant Toddler and Center will be the first Early Head Start Center in the [REDACTED] neighborhood of Newark and provides the same benefits to [REDACTED] as the [REDACTED] project described above.
- Financial Literacy programs conducted in schools in branches located in LMI areas. From January 2012 through June 2014, twenty three (23) financial literacy programs were conducted in LMI communities. These programs vary in focus from grades 1 through 12.
- To safeguard our communities' residents' information security and financial records from fraudsters, Valley organizes Shred Days throughout the areas served by its branches. The events are designed to partnering with and leverage community service organizations such as a food drive groups, police car seat inspections and bicycle safety lessons, local health care providers and blood pressure screenings and others. The document shredding truck provides the public with a resource for disposing of confidential paper to prevent identity theft while the additional service augments the community outreach. Over 100 Shred events occurred in 2012, 2013 and 2014, 16 in LMI identified branches.

The promotional flyers that accompany such events are provided in English and Spanish. They highlight Valley's Perfect Checking Account that offers bonuses for setting up direct deposit or auto debit of a Valley residential mortgage or consumer loan. The flyer also features interest rate discounts on automobile loans when payment is automatically deducted from a Valley checking account and discounts on home equity loans and lines of credit exclusively for Valley customers.

As previously state, Valley managers serve on boards and board committees in LMI communities, many of which are predominantly Asian, African-American and Hispanic and which are located in Paterson, Irvington, suburban Essex, Brooklyn and northern and western Monmouth County. Organizations include The Mount Prospect Partnership of Newark, the Paterson Restoration Corporation, Homeless Solutions in Morris County, Rotary organizations in Southwest Queens-Ozone Park NYC and Bound Brook NJ, libraries in Belleville NJ and in Borough Park Brooklyn, the National Council for Puerto Rican Heritage, We Care Fund Inc. in Mineola on Long Island, and the Dover and Paterson Habitats for Humanity. Valley supports local church and community food, clothing and toy drives on a consistent basis especially over the holidays and in times of need. For example, branch Sales Manager [REDACTED] of our West New York NJ Branch has been a strong force in her market and has been highlighted regularly in the community newspaper for her efforts on behalf of the Hispanic and Latino groups such as Save Latin America.

12. *Provide a description of outreach activities conducted by Valley to LMI individuals and communities, including any partnerships with community development organizations or groups or government entities and the nature of partnerships, generally and specifically to the MSAs. In addition to describing Valley's outreach and partnerships generally, please identify the bank's three most impactful efforts to meet the needs of LMI individuals and communities, and explain the impact of each.*

Valley Response:

In 2013-2014 the Bank's community development department met with a number of community organizations to explore beginning or continuing partnerships. Below are a list of some of the organizations and what their focus is.

██████████ – ██████████ is the general name of a group of ██████████ separately incorporated 501(c)(3) community development organizations based in New York City. The primary purpose of each organization meets the CRA definition of "community development" although the specific set of activities varies among the ██████████ corporations. ██████████ is a member of the NeighborWorks organization network and the ██████████ nonprofit member of the Federal Home Loan Bank of New York.

A Senior Vice President of the bank serves as the treasurer of the parent organization, chairs its finance committee and sits on its executive committee. That employee is also the president of a subsidiary Community Development Financial Institution (CDFI) named ██████████. Valley provided ██████████ with a \$██████████ operating grant in 2014. During the tenure of the employee's service on those boards, Valley provided a \$██████████ million loans for the acquisition of the parent organization's Flushing, Queen NY office and an \$██████████ loan to buy its office in Sunset Park, Brooklyn, and provided a \$██████████ line of credit to fund end loans through an affiliated small business lending CDFI named ██████████. Valley has expressed its willingness to finance other projects for the organization but has been outbid by other banks for ██████████'s various projects.

██████████) – Focuses on revitalizing LMI neighborhoods in Orange and East Orange, NJ through high-impact development of vacant, troubled properties. Valley partnered with ██████████ and participated in three Neighborhood Revitalization Tax Credits (NRTC) totaling \$600,000 in 2012 and 2013. Valley made \$250,000 and \$100,000 NRTC investments to support the redevelopment efforts of ██████████ in an ██████████, NJ non-profit, in the New York-White Plains-Wayne, NY-NJ MD (35644). The NRTC Program, administered by the NJ Department of Community Affairs, provides business entities a 100% tax credit for funds provided to non-profit entities carrying out comprehensive revitalization plans. Churchview Homes will provide four, affordable two-family homes for sale on South Center Street and a new single-family home around the corner on Taylor Street. The Bank made a second \$250,000 NRTC for projects named Berg-2 and Powerhouse in the Valley neighborhood. This is a reconstruction of a 1860s power generation building at 557 Nassau Street, Orange, NJ. This will become four arts-related commercial spaces. Funds were also used toward acquisition of the adjacent former Berg Hat Factory building where construction starting in the fall 2014 will create 32 condos and 5,400 Square feet of commercial space for artisans and small businesses in this economic development program.

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Consumer customers have the ability to apply for residential mortgages online at their convenience using a web-based, integrated point of sale platform. Valley is currently piloting the system in a select number of branches with mortgage loan officers so potential borrowers can explore rates, fees, and products; and complete an application, obtain approval and receive online disclosures. This allows a positive and consistent experience for consumers whether they apply on the internet, over the phone, in the branch and when they meet in person with a loan officer. It is Valley's plan to implement this functionality in 1st United branch locations, which will be of great benefit to existing and prospective customers and staff.

Valley appreciates the OCC's diligence in its consideration of Valley's Application. Please do not hesitate to contact me if the OCC needs any additional information or would like to discuss any of Valley's answers in greater detail.

Thank you.

Very truly yours,

Alan D. Eskow,
Senior Executive Vice President

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