



2010 LINKED DEPOSIT BANKING REPORT TO THE MAYOR



CITY OF BOSTON





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The State of Banking in the City of Boston



Introduction: 2010

Housing Trouble in 2010

Despite many positive changes in the lending environment and markets, 2010 was a year of severe housing trouble in Boston and in Massachusetts. The ongoing foreclosure crisis that started in 2006 hit record levels in 2010.

The ongoing foreclosure crisis is the result of the confluence of high housing prices, high unemployment, low but rising interest rates, and - most importantly - the rise of out-of-state mortgage companies. These companies ushered in an array of risky mortgage loans, targeted to minority and low-income borrowers, including interest-only mortgages, adjustable-rate loans, and high-fee subprime loans. Many began at a low introductory rate, then reset to higher monthly payments. Even fixed-rate loans often required monthly payments that were unsustainable for the borrowers.

The subprime lending market collapsed in 2008-2009, but the delayed impact of predatory lending is only increasing in intensity. In 2010, the number of foreclosures in Massachusetts hit record levels. In 2010, 12,233 homeowners lost their homes to foreclosure in Massachusetts - a 32 percent increase over 2009 numbers.¹

Deepening Crisis

Not only have foreclosures hit record levels in 2010, but the crisis also shows no signs of slowing. According to Jim Campen of the Massachusetts Community & Banking Council, "an extraordinarily high proportion of subprime loans have resulted in delinquencies and foreclosures." As of November 2010, 54.8% of all subprime loans that have not already been foreclosed on are delinquent in their payments. 23.9% are more than 90 days delinquent, and 13.4% are in the process of foreclosure.²

In addition, the foreclosure crisis is no longer limited to subprime borrowers. Prime-rate

borrowers made up a majority of new foreclosures in 2009 and 2010, showing the impact of job losses and housing-market turmoil on even the most credit-worthy borrowers.³

As credit tightens and foreclosures continue, an increasing number of foreclosed properties cannot be sold and sit vacant, contributing to crime and further depressing neighborhood property values. In Boston alone, there are 866 bank-owned properties, "many of which are boarded up or neglected."⁴

Falling home prices and a sluggish housing market have made it more difficult for homeowners unable to pay their mortgages to refinance or to sell and pay off their debts. Boston-area housing prices have tumbled 22% between 2007 (median price \$414,700) and 2011 (median price \$322,100). In Boston, 12.3% of homes are currently "underwater," where the value of the home is less than what is owed on the mortgage.⁵

Failure of Remedies

The number foreclosures in Massachusetts in 2010 is dramatic, and every indication is that this high level of foreclosures will continue in 2011 and beyond. A number of national and state actions have attempted to stem the tide of foreclosures. A few have been successful in slowing the processing of foreclosures by lenders, but none has proven able to remedy the underlying problems that lead to the foreclosures.

The federal government's main foreclosure-prevention initiative, the Federal Loan Modification Program, began in early 2009 as

¹ STATE FORECLOSURES RISE STEEPLY IN 2010, Boston Globe, January 20 2011.

² Jim Campen, Massachusetts Banking & Community Council, Changing Patterns XVIII.

³ PRIME MORTGAGES ARE NEXT HURDLE, Boston Globe, January 5 2010.

⁴ MENINO TO CALL FOR HOME LOAN REPORTS, Boston Globe, May 5 2010.

⁵ LENDER WILL SLASH MORTGAGE AMOUNTS, Boston Globe, March 25 2010; Boston Private Bank Community Reinvestment Act Performance Evaluation, Federal Deposit Insurance Corporation, August 15, 2011.



part of the American Recovery and Reinvestment Act. By the end of the year it was already acknowledged as a failure. Of 4 million homeowners eligible for mortgage modification, at the end of 2010 only 600,000 had received a trial modification, and only a small percentage of those had been made permanent.⁶ A study by the Federal Reserve Bank of Boston revealed that delays and obfuscations by mortgage lenders were largely responsible for the low number of permanent modifications.⁷

Locally-based loan modification programs have also failed. Lenders (including Bank of America, Boston's number-one mortgage lender) have proven unwilling to engage in meaningful mortgage modifications at the level necessary to effect change.

State and local actions (including legislation and a lawsuit in the Supreme Judicial Court) have focused on the technicalities of foreclosures, especially on the paperwork and chain-of-title issues. These, along with extensions of the right-to-cure from 30 to 90, and then to 150 days, have only pushed foreclosures farther down the line. They have slowed the process but done little to change the underlying issues - borrowers owing more for their homes than they can afford to pay back.⁸

⁶ ONLY ABOUT 4% GET LONG-TERM MORTGAGE HELP, CNN Money, December 10 2009; LENDER WILL SLASH MORTGAGE AMOUNTS, Boston Globe, March 25 2010.

⁷ LENDERS AVOID REDOING LOANS, FED CONCLUDES, Boston Globe, July 7 2009.

⁸ See, for example, 50 STATE ATTORNEYS GENERAL TO VET FORECLOSURE PROCESS, Boston Globe, Oct 14 2010; DROP IN MASS. FORECLOSURES TIED TO FEWER SEIZURES, Boston Globe, March 4 2011; BIG LENDERS CUT FORECLOSURES IN MASS. BY 40 PERCENT IN NOV., Boston Globe, December 30 2010; LENDER WILL SLASH MORTGAGE AMOUNTS, Boston Globe, March 25, 2010.

Strengthened Foundations

Despite the failures of efforts to stem the tide of foreclosures, efforts to create a more sound and fair lending landscape in Boston have been extremely effective. Particularly in Boston and in Massachusetts, aggressive state and local action has laid the foundation for long-term stability and increased access to fair credit for traditionally underserved borrowers.

The lending practices that led to the foreclosure crisis have all but disappeared from the Massachusetts lending landscape.

Most notably, subprime lending has all but disappeared in Boston. In 2006, subprime lending comprised 22% of loans statewide, and 25% of loans in Boston. In 2010, they comprised just 0.5% of all loans statewide. Only 42 subprime loans were originated in Boston in 2010, down from 3,361 loans in 2006.⁹ This change alone eliminates one of the major culprits in the housing crisis.

The collapse of subprime lending has been accompanied by a dramatic increase in the ratio of lending by Massachusetts banks and credit unions, and a corresponding drop in lending by out-of-state banks and mortgage companies, the companies most likely to make risky or unsound loans. In 2010, Massachusetts banks and credit unions made 45.3% of all home purchase loans in Boston - more than twice as many as they made in 2005, when they made only 19.7%.¹⁰

These changes have laid the foundations for strength in Boston's lending markets. The kinds of loans that caused the foreclosure crisis have disappeared from the market, and the most responsible group of lenders - Massachusetts banks - is now originating almost half of all loans.

One indicator of the strength of Boston's current lending market is the relative share of government-backed loans - housing loans guaranteed by the FHA, VA, or USDA. A high prevalence of these loans indicates that

⁹ Changing Patterns XVIII.

¹⁰ Changing Patterns XVIII.



borrowers are having trouble accessing traditional credit. Government-backed loan shares are substantially lower in Massachusetts than they are nation-wide: these loans comprise 27% of home loans nationally, and only 13.5% in Massachusetts and 12.0% in Boston.¹¹ This indicates that borrowers in Massachusetts, and especially in Boston, are finding it substantially easier than their peers in other states to access conventional credit - which indicates that lending in Boston is healthier, more robust, and more sustainable than in other parts of the country.

Boston is still dealing with the fallout from the lending practices of 2000-2006, but the lending environment now is radically different and more healthy - and in Boston, responsible credit is substantially more accessible than in other parts of the country.

The Increased Importance of the CRA

This sea change in the Massachusetts lending is the result of a number of factors, including market changes that removed the secondary market for subprime loans, and local and federal legislation. A number of key laws, including the Dodd-Frank Act and a number of Massachusetts statutes, made a number of key changes in home lending. The most significant of these changes include:

- Changes in how loan originators can be compensated for loan originations
- Requirements for fuller and clearer disclosures
- Stricter underwriting standards, and rules on risk retention
- A number of forbidden features designated as predatory

The most important change - and the one most likely to have a lasting impact on home mortgage lending in Boston - is the dramatic expansion in the share of home mortgage lending now covered by the CRA or CRA-type oversight.

The success of the CRA provided a model for Massachusetts legislators seeking to expand oversight over non-bank licensed mortgage lenders. The 2007 "Act Protecting and Preserving Homeownership," championed by Mayor Menino of Boston, provides for CRA-type oversight of mortgage lending companies that made 50 or more loans in Massachusetts in the previous year.

Like CRA ratings, these "CRA for Mortgage Lenders" ratings are made public, and unsatisfactory ratings may result in the loss of the lender's license. Evaluations are now conducted regularly, and have already resulted in one Cease and Desist order after an examination revealed unfair and deceptive business practices.¹²

This expansion of CRA-type oversight to non-bank mortgage companies, combined with the dramatically increased lending share of Massachusetts banks, have allowed the CRA to once again become one of the key tools for establishing and maintaining a fair and healthy lending environment in Massachusetts.

In 2006, the CRA covered only 22% of all home loans in Massachusetts. In 2010, 77.9% of home loans are covered by the CRA or by CRA-type oversight.¹³

This expansion is important because historically the chief impediment to the effectiveness of the CRA has been its limited scope. The CRA has been tremendously effective among the institutions it governs, but its impact has been shackled by the low number of loans it controls. Because CRA regulation applies only to banks that maintain in-state branches, the rise of mortgage companies and out-of-state lenders has stripped the act of much of its effectiveness.

Though the CRA still covers less than half of mortgage lending in the state, it now covers its greatest market share in more than a decade, and shows signs of increasing further. This

¹¹ [Changing Patterns XVIII.](#)

¹² CRA for Mortgage Lenders - Ratings and Public Evaluations Website, Massachusetts Division of Banks.

¹³ [Changing Patterns XVIII.](#)



prominent shift back to bank-based lending in 2009-2010, combined with the expansion of CRA-type regulation to previously under-regulated mortgage companies, gives new importance and influence to the CRA as a regulator of lending activity in Massachusetts.

Positive Impact of the CRA

This expansion in the reach of the CRA is important and encouraging because the CRA has been singularly successful in driving access to fair credit for borrowers of all income levels.

In Massachusetts, during the subprime lending boom, lenders not covered by the CRA were more than twice as likely to originate subprime loans as were CRA-regulated institutions, and more likely to direct them to minority applicants.¹⁴

Institutions governed by the CRA in 2010 "directed a substantially greater share of their total loans as prime loans-and a substantially smaller share of their total loans as government-backed loans-to every one of the categories of traditionally underserved borrowers and neighborhoods... than did lenders not covered by the CRA."¹⁵

Lenders covered by the CRA extend a greater share of their loans to minority applicants, to low- and moderate-income census tracts, and to low- and moderate-income individuals, than do lenders not covered by the CRA. CRA-covered lenders also direct a greater share of conventional prime loans (as opposed to government-backed loans) to all of these categories of traditionally underserved borrowers.

The success of CRA lenders in providing for traditionally underserved populations throws into relief the failure of lenders not under the CRA's jurisdiction to do so - and emphasizes the continuing importance of CRA oversight and reporting.

Future Questions

Overall, the expanded impact of the CRA, plus local activism and legislation, have transformed Boston's mortgage lending market, giving it systemic strength well beyond the national average.

There are, however, underlying issues that are still unresolved. In particular, access to conventional credit for low-income and minority borrowers remains a problem in Boston.

Black and Latino borrowers in Boston received significantly fewer conventional loans than white borrowers. For example, in Boston, 21% of households are black, but in 2010, black borrowers received only 5% of non-government back loans. Even upper-income minorities were far more likely than white borrowers to receive a government-backed loan.¹⁶

In Boston, the government-backed loan share in low-income census tracts was 24%, versus just 6% in upper-income census tracts. The government-backed loan share in predominantly minority neighborhoods was 46%, versus 16% in predominantly white census tracts. Black and Latino borrowers still face disproportionately high denial rates, even when adjusted for income.¹⁷

These patterns mirror the prime-versus-subprime lending divisions that existed in the years before the disappearance of subprime lending. Government-backed loans are affordable and sustainable, but their prevalence among minorities and in lower-income census tracts is an indication that minority and lower-income borrowers are still facing access-to-credit issues. This is of continuing concern because if government-backed lending dries up, there could be a return to redlining and other unfair lending practices that characterized the market before.

This serves to emphasize the continued importance of the CRA. The issues it was originally created to address are still with us, and only vigilance and oversight can ensure fair

¹⁴ Jim Campen, Massachusetts Banking & Community Council, Changing Patterns XVI.

¹⁵ Changing Patterns XVIII.

¹⁶ Changing Patterns XVIII.

¹⁷ Changing Patterns XVIII.



access to credit for all the residents of the City of Boston.

2010 Boston MSA Comparative Charts

The charts on the following three pages give different views of the mortgage-lending activity in the Boston Metropolitan Statistical Area (MSA).

In the first two charts, lending totals of all lenders (the lenders listed in this report are a subset of this total) in the MSA is broken down by race for HMDA and low-income mortgages respectively. These charts include all HMDA and low-income mortgages within the MSA.

The third chart totals all HMDA and low-income reportable mortgages, by race, for the banks listed in this report compared against the entire MSA.

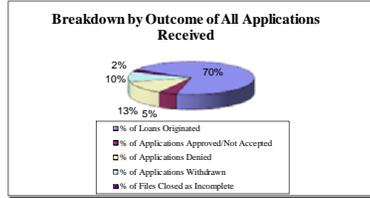
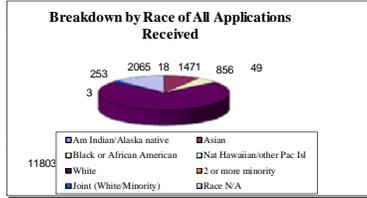
Aggregate Lending Information - HMDA

MSA: 14484 - Boston/Quincy, MA

2010

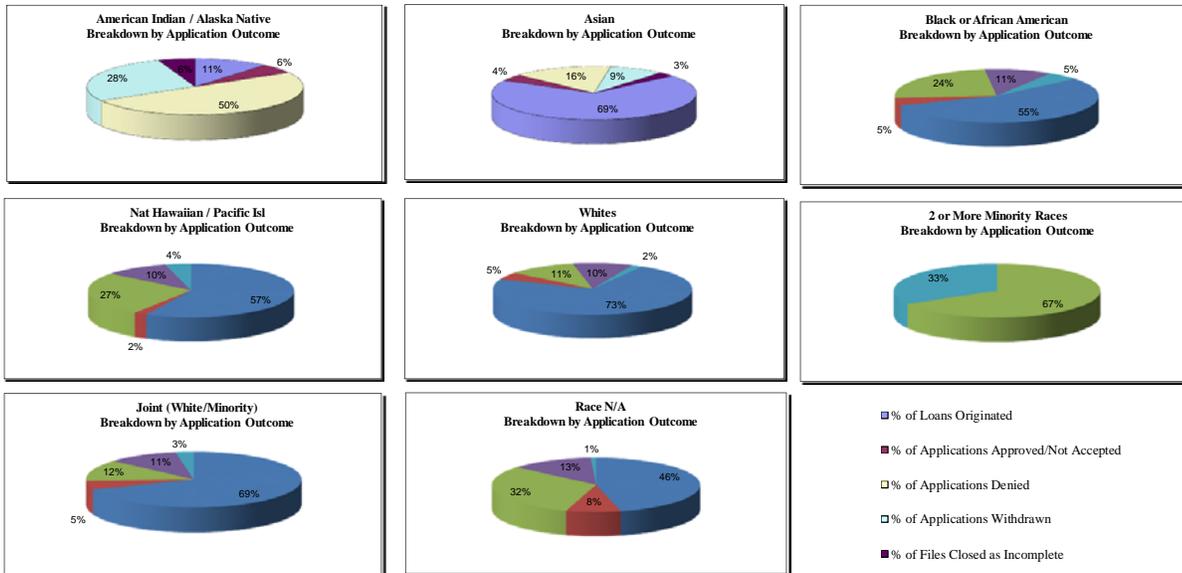
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	18	0%	2	11%	1	6%	9	50%	5	28%	1	6%
Asian	1471	9%	1013	69%	60	4%	232	16%	127	9%	39	3%
Black or African American	856	5%	474	55%	39	5%	208	24%	92	11%	43	5%
Nat Hawaiian/other Pac Isl	49	0%	28	57%	1	2%	13	27%	5	10%	2	4%
White	11803	71%	8576	73%	539	5%	1324	11%	1155	10%	209	2%
2 or more minority	3	0%	0	0%	0	0%	2	67%	0	0%	1	33%
Joint (White/Minority)	253	2%	175	69%	13	5%	31	12%	27	11%	7	3%
Race N/A	2065	13%	1360	66%	112	5%	275	13%	234	11%	84	4%
Total	16518	100%	11628	70%	765	5%	2094	13%	1645	10%	386	2%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all the applications received, those highlighted in blue are Loans Originated, all those highlighted in red were Not Accepted, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all the applications received, those highlighted in blue are Loans Originated, all those highlighted in red were Not Accepted, etc.



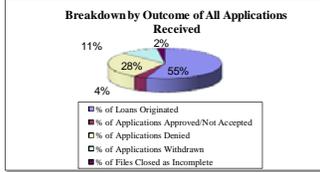
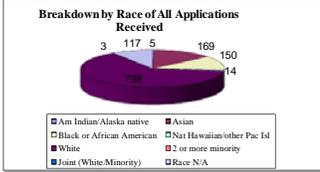
- % of Loans Originated
- % of Applications Approved/Not Accepted
- % of Applications Denied
- % of Applications Withdrawn
- % of Files Closed as Incomplete

Aggregate Low-Income Mortgage Lending MSA: 14484 - Boston/ Quincy, MA

2010

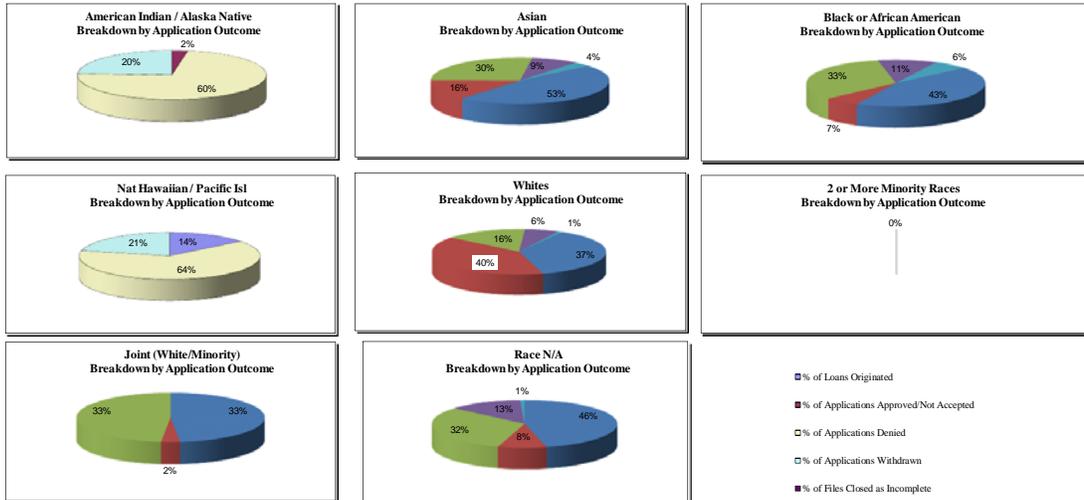
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	5	0%	0	0%	1	3%	3	6%	1	2%	0	0%
Asian	169	13%	89	53%	7	16%	51	30%	16	9%	6	4%
Black or African American	150	12%	68	45%	3	7%	52	35%	17	11%	10	7%
Nat Hawaiian/other Pac Isl	14	1%	2	14%	0	0%	9	64%	3	21%	0	0%
White	798	64%	478	60%	29	64%	198	25%	82	10%	11	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	3	0%	1	33%	1	2%	1	33%	0	0%	0	0%
Race N/A	117	9%	57	49%	4	9%	39	33%	16	14%	1	1%
Total	1256	100%	695	55%	45	4%	353	28%	135	11%	28	2%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all the applications received, those highlighted in blue are Loans Originated, all those highlighted in red were Not Accepted, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all the applications received, those highlighted in blue are Loans Originated, all those highlighted in red were Not Accepted, etc.

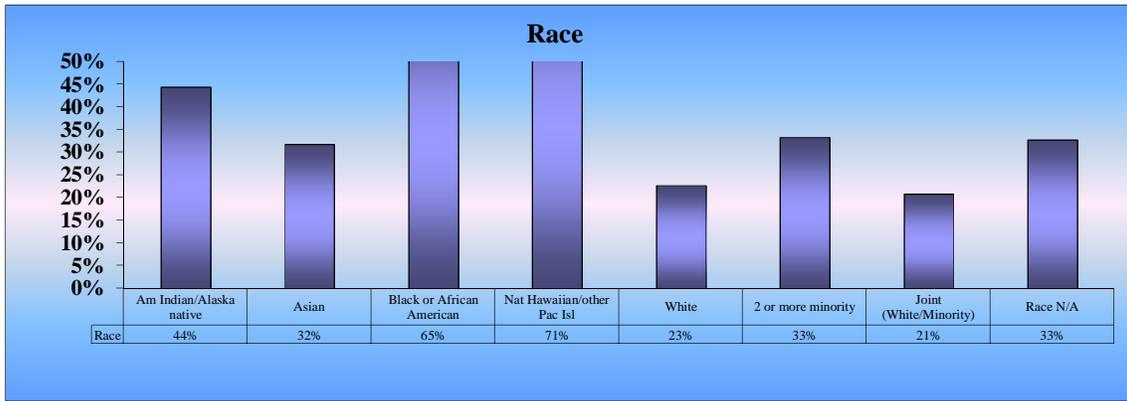


Link Deposit Report Banks Compared Against the MSA Aggregate Total 2010

HMDA Mortgage Information for Banks covered in this report

Race	Applications Received by banks	% of Applications Received in MSA	Loans Originated by banks	% of Loans Originated in MSA	Applications Approved/Not Accepted by banks	% of Applications Approved/Not Accepted in MSA	Applications Denied by banks	% of Applications Denied in MSA	Applications Withdrawn by banks	% of Applications Withdrawn in MSA	Files Closed as Incomplete by banks	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	8	44%	1	50%	0	0%	4	44%	2	40%	1	100%
Asian	468	32%	306	30%	12	20%	86	37%	51	40%	13	33%
Black or African American	558	65%	315	66%	16	41%	137	66%	62	67%	28	65%
Nat Hawaiian/other Pac Isl	35	71%	18	64%	1	100%	12	92%	2	40%	2	100%
White	2690	23%	1836	21%	97	18%	426	32%	283	25%	48	23%
2 or more minority	1	33%	0	0%	0	0%	0	0%	0	0%	1	100%
Joint (White/Minority)	53	21%	32	18%	1	8%	11	35%	9	33%	0	0%
Race N/A	677	33%	450	33%	22	20%	101	37%	88	38%	16	19%
Total	4490	27%	2958	25%	149	19%	777	37%	497	30%	109	28%

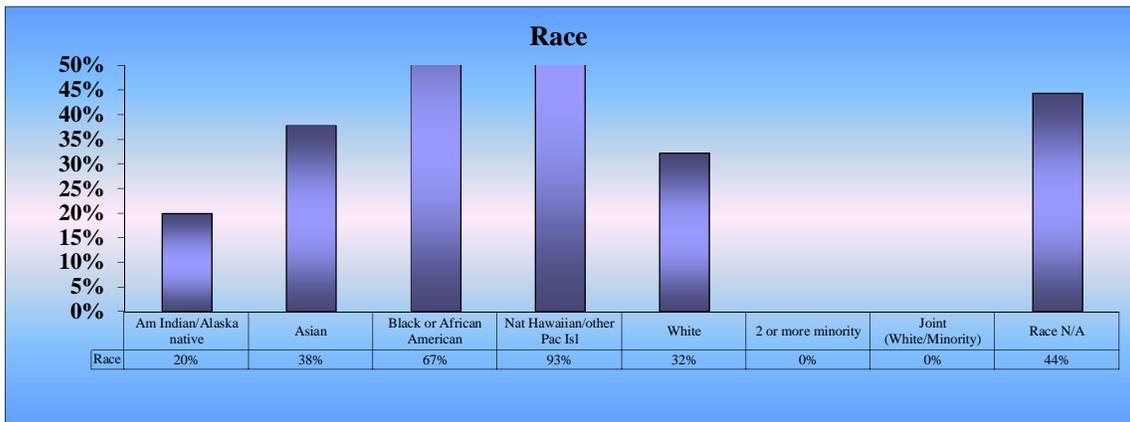
The chart below is the breakdown by race of the applications received collectively at the banks covered in this report (excluding Mellon) compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications processed collectively at the banks covered in this report (excluding Mellon) compared to the total number of Asian applications processed in the MSA.



Low-Income Mortgage Information for Banks covered in this report

Race	Applications Received by banks	% of Applications Received in MSA	Loans Originated by banks	% of Loans Originated in MSA	Applications Approved/Not Accepted by banks	% of Applications Approved/Not Accepted in MSA	Applications Denied by banks	% of Applications Denied in MSA	Applications Withdrawn by banks	% of Applications Withdrawn in MSA	Files Closed as Incomplete by banks	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	1	20%	0	0%	0	0%	1	33%	0	0%	0	0%
Asian	64	38%	28	31%	3	43%	20	39%	12	75%	1	17%
Black or African American	100	67%	40	59%	2	67%	39	75%	13	76%	6	60%
Nat Hawaiian/other Pac Isl	13	93%	2	100%	0	0%	9	100%	2	67%	0	0%
White	257	32%	148	31%	3	10%	71	36%	31	38%	4	36%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	52	44%	33	58%	1	25%	12	31%	5	31%	1	100%
Total	487	39%	251	36%	9	20%	152	43%	63	47%	12	43%

The chart below is the breakdown by race of the applications received collectively at the banks covered in this report (excluding Mellon) compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications processed collectively at the banks covered in this report (excluding Mellon) compared to the total number of Asian applications processed in the MSA.





Ratings Summary



Summary

Note: Information in this section is summary only. Expanded information on all financial institutions is contained in the subsequent sections. (See sections 3 to 17.)

FDIC Review Schedule

The Federal Deposit Insurance Corporation (FDIC) conducts a CRA examination according to the following schedule:

For banks with assets of less than \$250 million the schedule is:

- Previous rating OUTSTANDING, next review in 60-72 months
- Previous rating SATISFACTORY, next review in 48-60 months
- Previous rating NEEDS IMPROVEMENT, next review in 12-24 months
- Previous rating SUBSTANTIAL NON-COMPLIANCE, next review in 12 months

For banks with assets of more than \$250 million the schedule is:

- Previous rating OUTSTANDING, next review in 24-36 months
- Previous rating SATISFACTORY, next review in 24-36 months
- Previous rating NEEDS IMPROVEMENT, next review in 12-24 months
- Previous rating SUBSTANTIAL NON-COMPLIANCE, next review in 12 months

OCC and OTS Review Schedule

In general, the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS) conduct a CRA examination of a bank every 24 months.

Overall Rating

The following overall Community Reinvestment Act (CRA) ratings¹ are for the year 2007.

Bank	Rating
Bank of America	OUTSTANDING
Bank of New York Mellon	SATISFACTORY
Boston Private Bank	OUTSTANDING
Cathay Bank	SATISFACTORY
Century Bank and Trust (Century Bank)	SATISFACTORY
Citizens Bank of Massachusetts	OUTSTANDING
Commonwealth Cooperative Bank	SATISFACTORY
East Boston Savings Bank (EBSB)	SATISFACTORY
Eastern Bank	OUTSTANDING
First Union Trade Bank	SATISFACTORY
Hyde Park Savings Bank (HPSB)	SATISFACTORY
JPMorgan Chase Bank	OUTSTANDING
OneUnited Bank	NEEDS TO IMPROVE
Sovereign Bank	OUTSTANDING
TD Bank	OUTSTANDING
Wainwright Bank and Trust (Wainwright Bank)	OUTSTANDING
Webster Bank	OUTSTANDING

¹ See Appendix for rating definitions.



Overall and Test Ratings

The following are the ratings for the three test areas (Lending, Investment, and Service) utilized by the CRA regulatory bodies.

Bank of America²

Regulatory Body:	Office of the Comptroller of the Currency	
Area Tested	Rating	
Overall:	OUTSTANDING	
Lending:	OUTSTANDING	
Investment:	OUTSTANDING	
Service:	OUTSTANDING	

Bank of New York Mellon³

Regulatory Body:	Federal Reserve Bank of New York	
Area Tested	Rating	
Overall:	SATISFACTORY	
Lending:	NOT ASSESSED	
Investment:	NOT ASSESSED	
Service:	NOT ASSESSED	

Boston Private Bank & Trust Company⁴

Regulatory Body:	Federal Deposit Insurance Corporation	
Area Tested	Rating	
Overall:	OUTSTANDING	
Lending:	OUTSTANDING	
Investment:	OUTSTANDING	
Service:	OUTSTANDING	

Cathay Bank⁵

Regulatory Body:	Federal Deposit Insurance Corporation	
Area Tested	Rating	
Overall:	SATISFACTORY	
Lending:	HIGH SATISFACTORY	
Investment:	LOW SATISFACTORY	
Service:	HIGH SATISFACTORY	

Century Bank & Trust⁶

Regulatory Body:	Federal Deposit Insurance Corporation	
Area Tested	Rating	
Overall:	SATISFACTORY	
Lending:	HIGH SATISFACTORY	
Investment:	LOW SATISFACTORY	
Service:	HIGH SATISFACTORY	

RBSCitizens Bank of Massachusetts⁷

Regulatory Body:	Federal Deposit Insurance Corporation	
Area Tested	Rating	
Overall:	OUTSTANDING	
Lending:	OUTSTANDING	
Investment:	OUTSTANDING	
Service:	OUTSTANDING	

² Based on most recent CRA Performance Evaluation by OCC published 2006.

³ Based on most recent CRA Performance Evaluation published by Federal Reserve Bank of New York published 2007.

⁴ Based on most recent CRA Performance Evaluation by FDIC published 2008.

⁵ Based on most recent CRA Performance Evaluation by FDIC published 2007.

⁶Ibid.

⁷Ibid.



Commonwealth Cooperative Bank⁸

Regulatory Body:	Office of Thrift Supervision
Area Tested	Rating
Overall:	SATISFACTORY
Lending:	NOT RATED
Investment:	NOT RATED
Service:	NOT RATED

First Union Trade Bank¹¹

Regulatory Body:	Office of Thrift Supervision
Area Tested	Rating
Overall:	SATISFACTORY
Lending:	OUTSTANDING
Investment:	NOT RATED
Service:	NOT RATED

East Boston Savings Bank⁹

Regulatory Body:	Federal Deposit Insurance Corporation
Area Tested	Rating
Overall:	SATISFACTORY
Lending:	HIGH SATISFACTORY
Investment:	SATISFACTORY
Service:	OUTSTANDING

Hyde Park Savings Bank¹²

Regulatory Body:	Federal Deposit Insurance Corporation
Area Tested	Rating
Overall:	SATISFACTORY
Lending:	SATISFACTORY
Investment:	HIGH SATISFACTORY
Service:	HIGH SATISFACTORY

Eastern Bank¹⁰

Regulatory Body:	Federal Deposit Insurance Corporation
Area Tested	Rating
Overall:	OUTSTANDING
Lending:	HIGH SATISFACTORY
Investment:	OUTSTANDING
Service:	OUTSTANDING

JPMorgan Chase Bank¹³

Regulatory Body:	Federal Reserve Bank of New York
Area Tested	Rating
Overall:	OUTSTANDING
Lending:	OUTSTANDING
Investment:	HIGH SATISFACTORY
Service:	HIGH SATISFACTORY

⁸ Banks that are considered small to medium are only given one rating by the Federal Deposit Insurance Corporation as their review criteria differs from the larger banking institutions. Based on most recent CRA Performance Evaluation by OTS published 2008.

⁹ Based on most recent CRA Performance Evaluation by FDIC published 2009.

¹⁰ Based on most recent CRA Performance Evaluation by FDIC published 2007.

¹¹ Based on most recent CRA Performance Evaluation by OTS published 2009.

¹² Based on most recent CRA Performance Evaluation by FDIC published 2009.

¹³ Based on most recent CRA Performance Evaluation published by Federal Reserve Bank of New York published 2003.



OneUnited Bank¹⁴

Regulatory Body:	Federal Deposit Insurance Corporation
Area Tested	Rating
Overall:	NEEDS TO IMPROVE
Lending:	SUBSTANTIAL NONCOMPLIANCE
Investment:	NOT RATED

Webster Bank¹⁸

Regulatory Body:	OCC
Area Tested	Rating
Overall:	OUTSTANDING
Lending:	OUTSTANDING
Investment:	HIGH SATISFACTORY
Service:	OUTSTANDING

Sovereign Bank (Massachusetts)¹⁵

Regulatory Body:	Office of Thrift Supervision
Area Tested	Rating
Overall:	OUTSTANDING
Lending:	OUTSTANDING
Investment:	HIGH SATISFACTORY
Service:	OUTSTANDING

TD Bank¹⁶

Regulatory Body:	Office of the Comptroller of the Currency
Area Tested	Rating
Overall:	OUTSTANDING
Lending:	OUTSTANDING
Investment:	HIGH SATISFACTORY
Service:	HIGH SATISFACTORY

Wainwright Bank and Trust¹⁷

Regulatory Body:	Federal Deposit Insurance Corporation
Area Tested	Rating
Overall:	OUTSTANDING
Lending:	OUTSTANDING
Investment:	NOT RATED

¹⁴ Ibid.

¹⁵ Based on most recent CRA Performance Evaluation by OTS published 2008.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸Based on most recent CRA Performance Evaluation by OCC published 2006.



Bank of America



Bank of America Overview

Bank of America, N.A.
101 South Tryon Street
Charlotte, NC 28255

Description

Bank of America, N.A. is a \$1.48 trillion full-service interstate bank that operates throughout the United States and in over 40 foreign countries. The bank, headquartered in Charlotte, North Carolina, is a subsidiary of Bank of America Corporation. Bank of America is a component of the Dow Jones Industrial Average.

The bank has established over 5,800 retail banking centers and over 18,000 ATMs – the largest ATM network in the country. Bank of America services 57 million consumer and small business relationships, and serves one in two U.S. households. The bank offers a wide range of products and services directly or indirectly through affiliates. A major focus of Bank of America, N.A. is on community development initiatives, particularly in its role as a developer through its community development corporations.

Bank of America entered the Massachusetts market in 2003, when it merged with Boston-based FleetBoston Financial. The merger was finalized in 2005. Bank of America, N.A. is currently the largest banking financial institution in Massachusetts.

In January 2008, the bank acquired Countrywide Financial Corporation. The bank acquired Merrill Lynch & Co., Inc. on January 1, 2009. Bank of America is currently the number-one mortgage originator in the United States. The bank services 14 million residential mortgages: more than any other financial institution.

Principal Officers

CEO & President

Brian T. Moynihan
101 South Tryon Street
Charlotte, NC 28255
704-386-5681

CFO

Bruce R. Thompson
101 South Tryon Street
Charlotte, NC 28255
704-386-5681

Chief Risk Officer

Gary G. Lynch
101 South Tryon Street
Charlotte, NC 28255
704-386-5681

Employees

Number of Employees	182,284 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	5,800
Branches Within Boston MSA	38
Number of ATMs	18,753
Number of Free-Standing ATMs	12,947

CRA Rating

Rating Agency	OCC
Most Recent Rating	2009
Overall Rating for Boston MSA	OUTSTANDING ²
Lending Test Rating for Boston MSA	OUTSTANDING
Investment Test Rating for Boston MSA	OUTSTANDING
Service Test Rating for Boston MSA	OUTSTANDING

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by OCC published 2009.



Discussion

Overall rating for Boston MSA: OUTSTANDING³

Bank of America received a CRA rating for both its nationwide banking activity, and for each state or MDA in which it operates.

In its nationwide evaluation, the bank received an assessment of “OUTSTANDING” both Overall and in every category test (the Lending, Investment, and Service tests).⁴

The OCC also examined the bank’s performance in the Boston-Cambridge-Quincy (MA-NH) Multistate MSA, where the bank also receives “OUTSTANDING” ratings in every category. **The discussion below focuses on the OCC’s evaluation of the bank’s performance in the Boston MSA.**

Lending Test

Lending Test Rating for Boston MSA: OUTSTANDING⁵

General Responsiveness to Credit Needs

Bank of America’s lending performance in the Boston MSA is rated Outstanding. The bank was ranked second in market share for home purchase loans in Boston among local deposit-taking institutions, and third in small business lending.

The bank’s lending performance was excellent and had a positive impact on the local communities in which the bank operates.⁶

³ Based on most recent CRA Performance Evaluation by OCC published 2009.

⁴ Based on most recent CRA Performance Evaluation by OCC published 2009.

⁵ Based on most recent CRA Performance Evaluation by OCC published 2009.

⁶ Ibid.

Responsiveness to Low- and Moderate-Income Credit Needs

Bank of America’s Boston MSA lending displayed excellent distribution of loans among borrowers of different income levels.⁷

During the evaluation period, economic conditions changed significantly and provided lending challenges. While Bank of America continues to tighten its product mix and underwriting criteria in response to the economic crisis, during the assessment period it maintained a focus on serving the community, especially low- and moderate-income families and geographies.⁸

Bank of America’s lending to low- and moderate-income geographies in the Boston MSA was excellent, among the strongest in the bank’s national footprint. The proportion of loans made in both low- and moderate-income geographies exceeds the percentage of owner-occupied units in these geographies. In addition, the bank’s market share of loans in both low- and moderate-income geographies exceeds the bank’s overall market share within Boston.

When considered by borrower income level, Bank of America’s home purchase loan borrower distribution in Boston is good. The proportion of loans originated to low-income borrowers is well below the number of low-income families in Boston; however, the bank’s share of loans to low-income borrowers exceeds the bank’s overall market share. The bank’s share of loans to moderate-income borrowers exceeds the percentage of moderate-income families in Boston.⁹

Leadership in Community-Development

Loans

Bank of America’s level of community development lending and HMDA lending geographic distribution were excellent, earning the bank an Outstanding rating.

⁷ Based on most recent CRA Performance Evaluation by FDIC published 2009.

⁸ Ibid.

⁹ Ibid.



The economic crisis created a number of new challenges in community development during the CRA evaluation period, with lenders leaving the market and economic conditions making projects more difficult to fund. Bank of America remained committed to community development financing and continued to participate in complex transactions in major markets. The bank was a leading provider of debt to Low-Income Housing Tax Credit projects.

During the evaluation period, the bank originated 26 community development loans totaling \$84.4 million in the Boston MSA. Most of these loans were directed to affordable housing, and provided over 900 affordable housing units.¹⁰

Bank of America is one of the country’s most significant community development lenders. In 2009, the bank announced a 10-year, \$1.5 trillion community development lending and investing goal, replacing its previous goal of \$750 billion. This lending is targeted at providing capital to low- and moderate-income and minority families, businesses, and nonprofits to promote neighborhood revitalization. \$1 trillion of this money is designated for affordable housing. The \$1.5 trillion goal is the largest of its kind ever established by a U.S. financial institution. In 2010, the bank provided \$168.5 billion in community development loans against this commitment.¹¹

The bank also partners with community development financial institutions to provide financing and other assistance to businesses unable to qualify for traditional bank financing.¹²

Innovative & Flexible Lending Practices

Bank of America offered a number of special loan products with flexible underwriting standards that assisted the bank in meeting the needs of low- and moderate-income individuals and neighborhoods.

Examples of Bank of America’s flexible products include Community Accommodation loans, which are designed to provide an alternative avenue for approval on mortgage loans that do not meet normal mortgage underwriting guidelines. In addition, the bank’s Community Commitment is a product that offers non-traditional credit guidelines, and minimal out-of-pocket expense. Completion of homebuyer education is required for each product.¹³

The bank also leverages partnerships with various non-profits and state and local organizations, such as NACA and the Massachusetts Housing Partnership, to help low- and moderate-income applicants achieve home ownership.¹⁴

Investment Test

Investment Test Rating for Boston MSA: OUTSTANDING¹⁵

Investment activity reflected an excellent level of responsiveness to the needs of the communities where Bank of America operates. The bank took a leadership role in developing and participating in investments that were complex and involved multiple partners with both public and private funding. Many investments served significant community development needs.

Despite the recession and the troubled housing markets in 2007-2010, Bank of America remained a stable, long-term provider of capital that created a positive impact for low- and moderate-income families and communities.

The bank’s Boston MSA investment volume reflects an excellent level of responsiveness to the needs of the area. Bank of America’s Investment Test performance in the Boston MSA is rated Outstanding.

¹⁰ Ibid.

¹¹ Bank of America website.

¹² Bank of America Annual Report 2009.

¹³ Based on most recent CRA Performance Evaluation by FDIC published 2009.

¹⁴ Ibid.

¹⁵ Ibid.



Community Development Investments & Grants

Bank of America demonstrated significant leadership in its qualified investment activities.

In April 2008, the bank announced its Neighborhood Preservation Initiative. The goal of the program is to help homeowners avoid foreclosure and to prevent neighborhood deterioration. As part of this initiative, the bank pledged to fund \$15 million in grants to support foreclosure prevention and property disposition programs and \$15 million in investments to create capacity for non-profit organizations to preserve affordable single-family and rental housing. As of March 31, 2009, the bank had provided \$16.2 million in grants and \$15 million in investments, exceeding its goal in less than a year.¹⁶ By the end of 2009, the bank’s investment in the Neighborhood Preservation Initiative totaled over \$35 million.¹⁷

The bank also reported it ranked among the most significant debt providers to Low-Income Housing Tax Credit projects, and is the single largest investor in Community Development Financial Institutions (CDFIs) in the country. As of 2010, the bank has over \$1 billion in loans and investments in more than 120 CDFIs in 37 states.¹⁸ CDFI investments were responsive to the needs of the bank’s communities and were targeted to small businesses, microenterprises, affordable housing, and community facilities.¹⁹

In 2010, the bank announced a new initiative to provide \$10 million in grants to nonprofit lenders that would unlock as much as \$100 million in low-cost, long-term capital for small businesses nationwide over 12 months, and create up to 8,000 jobs. In the first six months of the program, CDFIs used the funds to access nearly \$45.5 million in microloan and other lending capital from the U.S. Small Business

Administration and U.S. Department of Agriculture.²⁰

In addition, the bank, through its community development corporation (CDC), was one of the few financial institutions that acted as a direct developer of large-scale affordable multifamily housing projects in low- and moderate-income urban areas.²¹

Leadership was also demonstrated by the bank’s cash contributions through its corporate philanthropic program. The bank’s Charitable Foundation gave \$200 million in cash donations in 2010, making the bank the second-largest cash giver in the U.S. The bank has made an overall 10-year, \$2 billion charitable giving commitment.²² In 2010, the bank’s total Massachusetts giving totaled \$11.6 million.²³

As a response to the economic crisis, the bank shifted some of its philanthropic giving to support organizations that provide basic human services such as access to health care, job training, hunger relief, basic shelter, and child care.²⁴ In 2009, for example, the bank made more than \$8 million in emergency “safety-net” grants to address issues of hunger and housing. In 2010, the bank adapted its corporate giving strategy to incorporate financial literacy and workforce training initiatives. The bank made partnerships with 550 housing counseling agencies to help borrowers prepare for and preserve homeownership. The bank’s giving and investment strategy focuses on partnership with local nonprofits and local leaders to identify and meet the most pressing community needs.²⁵

Bank of America continues its innovative Neighborhood Excellence Initiative. The

¹⁶ Ibid.

¹⁷ Bank of America website.

¹⁸ Bank of America website.

¹⁹ Based on most recent CRA Performance Evaluation by FDIC published 2009.

²⁰ Bank of America 2010 Corporate Social Responsibility Report

²¹ Based on most recent CRA Performance Evaluation by FDIC published 2009.

²² Bank of America Annual Report 2009.

²³ Bank of America website.

²⁴ Ibid.

²⁵ Bank of America website.



program is directed towards developing relationships with and investing in non-profit/charitable organizations that focus on strengthening communities in the bank's markets. Leadership training and unrestricted general operating support are provided to these organizations.²⁶ The bank invested \$20 million through this program in 2010.²⁷

In the Boston MSA, Bank of America made 328 investments totaling \$144.5 million during the assessment period. As of March 31, 2009, the bank's community development investments in Boston totaled \$154.5 million.²⁸

In addition, Bank of America made Boston MSA investments totaling \$16 million in four CDFIs and \$15.9 million in bonds that supported affordable housing or revitalized or stabilized low- or moderate-income communities.

Other investments consisted primarily of contributions to local or regional organizations providing economic development, affordable housing, community services, or activities that revitalize or stabilize low- and moderate-income geographies.²⁹

Service Test

Service Test Rating for Boston MSA:
OUTSTANDING³⁰

Bank of America's provision of retail services showed excellent responsiveness to the banking needs of geographies and individuals of different income levels.³¹

²⁶ Based on most recent CRA Performance Evaluation by FDIC published 2009.

²⁷ Bank of America Annual Report 2010.

²⁸ Based on most recent CRA Performance Evaluation by FDIC published 2009.

²⁹ Ibid.

³⁰ Based on most recent CRA Performance Evaluation by OCC published 2006.

³¹ Based on most recent CRA Performance Evaluation by OCC published 2009.

As community needs changed due to the economic crisis, the bank responded by shifting the focus of some of its CD services to foreclosure prevention in its most stressed areas. Bank employees participated in foreclosure prevention workshops and assisted non-profits in increasing capacity for mortgage counseling.³²

Description of Service-Delivery Systems

Bank of America's retail service delivery systems in the Boston MSA are readily accessible to geographies and individuals of different income levels. The percentage of the bank's branches in low-income geographies exceeds the percentage of the population residing in low-income areas.

The bank did not open or close any branches in low- and moderate-income geographies in Boston, and hours and services do not vary in a way that inconveniences the people living in Boston.

In 2009, the bank launched a number of online financial literacy tools focused on credit guidance and debt management.³³ It also introduced a "Clarity Commitment" aimed at promoting transparency in mortgage, home equity, and credit card lending.³⁴

In 2010, the bank equipped all of its ATMs with voice-enabled technology to provide access for visually-impaired customers.³⁵

Community Development Services

Bank of America provided an excellent level of community development services that were responsive to the community development needs of its communities.³⁶

The bank is a leader in providing community development services in Boston. Services were

³² Ibid.

³³ Bank of America Annual Report 2009.

³⁴ Bank of America website.

³⁵ Bank of America website.

³⁶ Based on most recent CRA Performance Evaluation by OCC published 2009.



provided to 23 organizations pursuing a variety of initiatives targeted at low- and moderate-income areas and individuals. These services addressed community development needs such as technical assistance for organizations providing economic development, affordable housing, community services, or activities that revitalize or stabilize lower-income geographies. The bank also provided homebuyer education services and loans to lower-income individuals through partnership with non-profit organizations.

In 2009, the bank partnered with the Alliance for Stabilizing our Communities (ASC) to assist multicultural homeowners facing foreclosure. ASC is the first national multicultural outreach and home retention effort to address foreclosures in African American, Hispanic and Asian communities. In 2009-2010, bank participated in 14 home rescue fairs in 27 communities, including Boston, Dorchester, and Lowell, Massachusetts.³⁷

In 2010, the bank's employees donated more than 1 million volunteer hours, contributing their time and expertise to meet critical community needs.³⁸

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
100 Federal St., Boston, MA 02110-1802	✓	✓
333 Longwood Ave., Boston, MA 02115-5711	✓	✓
1857 Centre St., Boston, MA 02132-1946	✓	✓
161 Cambridge St., Boston, MA 02114-2704	✓	✓
175 Federal St., Boston, MA 02110-2210	✓	✓
699 Boylston St., Boston, MA 02116-2848	✓	✓
210 Berkley St., Boston, MA 02116-3711	✓	✓

557 Boylston St., Boston, MA 02116-3601	✓	✓
855 Boylston St., Boston, MA 02116-2622	✓	✓
60 State St., Boston, MA 02109-1800	✓	✓
557 Tremont St., Boston, MA 02118-3720	✓	✓
771 Commonwealth Ave., Boston, MA 02215-1401	✓	✓
710 Washington St., Boston, MA 02111-1522	✓	✓
125 High St., Boston, MA 02110-2704	✓	✓
5 Chestnut Hill Ave., Boston, MA 02135-3202	✓	✓
285 Huntington Ave., Boston, MA 02115-4506	✓	✓
540 Commonwealth Ave., Boston, MA 02215-2606	✓	✓
677 Centre St., Boston, MA 02130-2556	✓	✓
350 Chestnut Hill Ave., Brighton, MA 02135-7773	✓	✓
1237 Commonwealth Ave., Allston, MA 02134-3501	✓	✓
6 Tremont St., Boston, MA 02108-2201	✓	✓
460 W Broadway, Boston, MA 02127-2216	✓	✓
740 Gallivan Blvd., Boston, MA 02122-3141	✓	✓
29 Corinth St., Boston, MA 02131-3023	✓	✓
65 Franklin St., Boston, MA 02110-1303	✓	✓
1440 Dorchester Ave., Boston, MA 02122-2922	✓	✓
3 Center Plaza, Boston, MA 02108-2003	✓	✓
157 Stuart St., Boston, MA 02116-5631	✓	✓
260 Hanover St., Boston, MA 02113-2303	✓	✓
1219 River St., Boston, MA 02136-2820	✓	✓
133 Massachusetts Ave., Boston, MA 02115-2606	✓	✓
104 Canal St., Boston, MA 02114-1805	✓	✓
1614 Tremont St., Boston, MA 02120-1613	✓	✓
636 E Broadway,	✓	✓

³⁷ Bank of America website.

³⁸ Bank of America 2010 Corporate Social Responsibility Report.



Boston, MA 02127-1502	✓	✓
555 Columbia Rd.,		
Boston, MA 02125-2315	✓	✓
470 Blue Hill Ave.,		
Dorchester, MA 02121-4308	✓	✓
44 Allandale St.,		
Jamaica Plain, MA 02130	✓	✓
79 Summer St.,		
Boston, MA 02110-1004	✓	✓
FSB: Full Service Branch		

Year-Over-Year at a Glance

HMDA And Low-Income Loans

Bank of America's HMDA originations rose 16% from 2008 to 2009, before falling in 2010 by nearly half.

The bank's low-income HMDA loans followed a similar pattern: from 2008 to 2009, low-income lending more than doubled, before falling by roughly half between 2009 and 2010.⁴²

Other Programs

Bank of America has been responsive in helping to meet the credit needs of its communities through its mortgage loan refinancing, restructuring, and modification programs. Foreclosure assistance was provided in all areas. This assistance was considered highly responsive to the needs of the areas where the bank operates.³⁹

Between January 2009 and December 2009, the bank made nearly 700,000 trial mortgage modifications, more than any other institution; however, by May 2010 only 62,969 modifications had been made permanent.⁴⁰

In 2010, the bank opened an office in Dedham, Massachusetts dedicated to helping homeowners seeking loan modifications. The office will be staffed with seven counselors, while an additional five counselors will travel to other New England communities to work directly with borrowers.⁴¹

	2008	2009	2010
HMDA Applications Received	2633	2725	1691
HMDA Loans Originated	1572	1816	1051
Low-Income Applications Received	164	302	183
Low-Income Loans Originated	77	162	82

³⁹ Based on most recent CRA Performance Evaluation by OCC published 2009.

⁴⁰ Bank of America Annual Report 2009; Bank of America website.

⁴¹ Bank of America website.

⁴² FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.2%	2.0%	1.8%
Moderate	0.1%	1.0%	0.7%
Middle	0.6%	1.4%	1.6%
Upper	0.9%	2.0%	2.0%
Total	0.2%	1.6%	1.4%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	24.8%	13.2%	13.6%
Moderate	41.2%	10.3%	6.7%
Middle	5.1%	8.9%	12.0%
Upper	14.0%	13.8%	16.1%
Total	14.1%	11.8%	12.1%

Please refer to the addendum The 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on

small business loans. The small business loan activity for Bank of America in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.



Source Documents

Bank of America Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency; March 31, 2009.

Bank of America Annual Report, 2009 and 2010.

Bank of America 2010 Corporate Social Responsibility Report.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

FDIC Institution Directory:

<http://www2.fdic.gov/idasp>

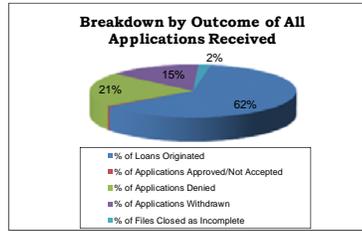
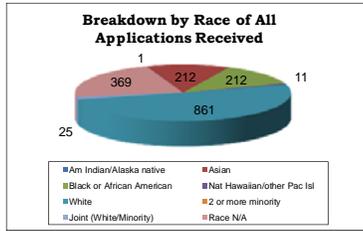
Bank of America website:

<http://www.bankofamerica.com>

Bank of America, N.A. HMDA Mortgage Lending 2010

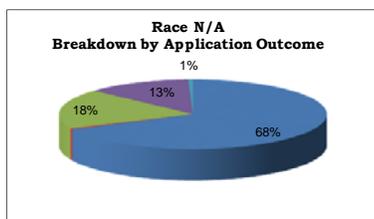
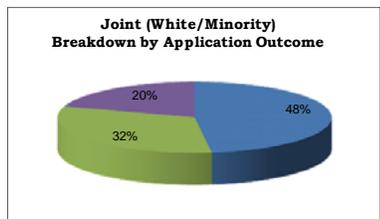
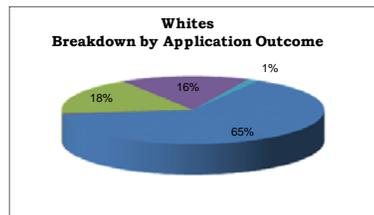
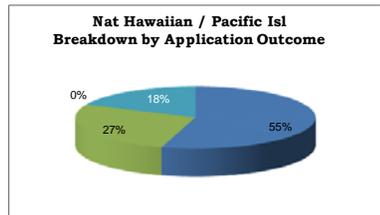
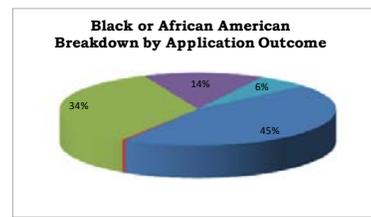
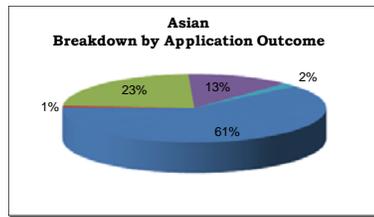
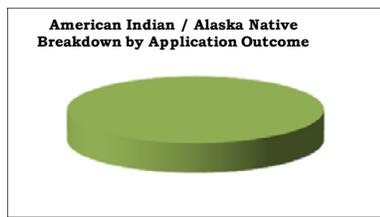
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	1	0%	0	0%	0	0%	1	100%	0	0%	0
Asian	212	13%	130	61%	2	1%	49	23%	27	13%	4	2%
Black or African American	212	13%	95	45%	1	0%	73	34%	30	14%	13	6%
Nat Hawaiian/other Pac Isl	11	1%	6	55%	0	0%	3	27%	0	0%	2	18%
White	861	51%	558	65%	2	0%	152	18%	137	16%	12	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	25	1%	12	48%	0	0%	8	32%	5	20%	0	0%
Race N/A	369	22%	250	68%	2	1%	68	18%	47	13%	2	1%
Total	1691	100%	1051	62%	7	0%	354	21%	246	15%	33	2%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



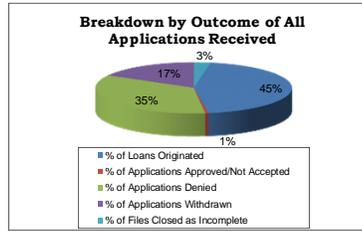
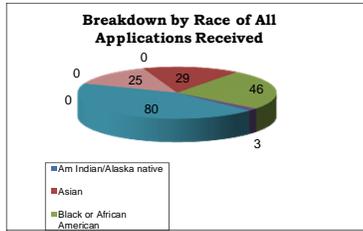
- % of Loans Originated
- % of Applications Approved/Not Accepted
- % of Applications Denied
- % of Applications Withdrawn
- % of Files Closed as Incomplete

Bank of America, N.A. Low-Income Mortgage Lending

2010

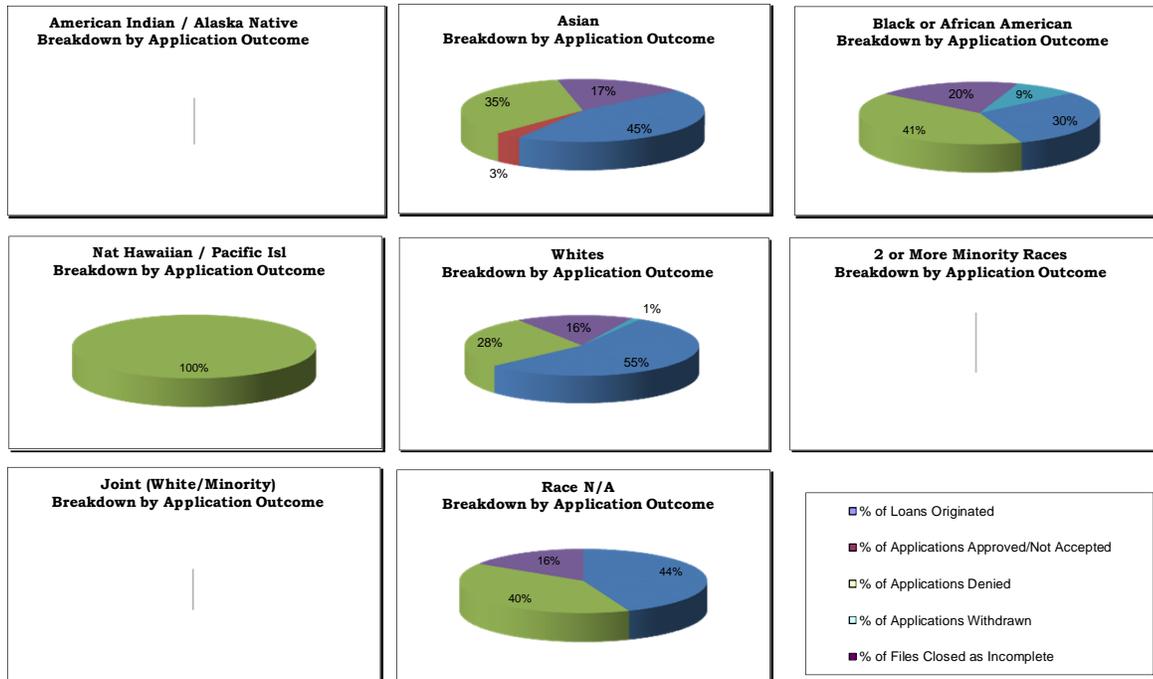
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	29	16%	13	45%	1	3%	10	34%	5	17%	0	0%
Black or African American	46	25%	14	30%	0	0%	19	41%	9	20%	4	9%
Nat Hawaiian/other Pac Isl	3	2%	0	0%	0	0%	3	100%	0	0%	0	0%
White	80	44%	44	55%	0	0%	22	28%	13	16%	1	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	25	14%	11	44%	0	0%	10	40%	4	16%	0	0%
Total	183	100%	82	45%	1	1%	64	35%	31	17%	5	3%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



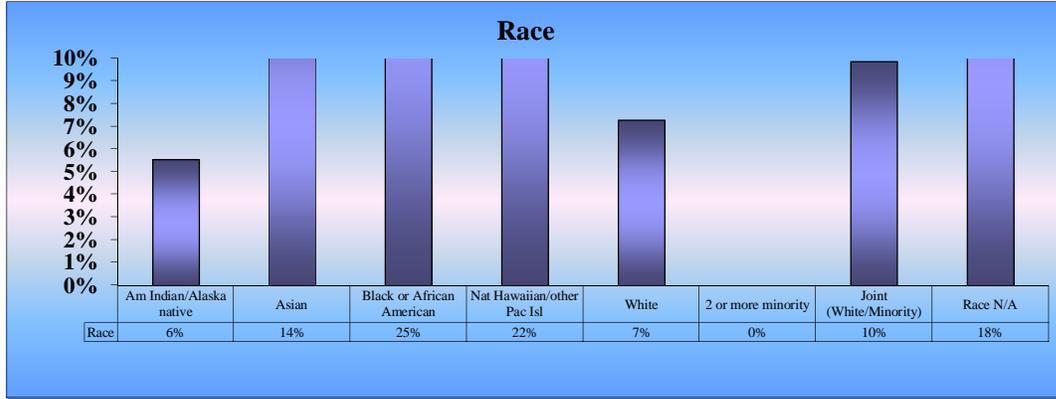
Compared against the MSA Aggregate Total

2010

Bank of America HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	1	6%	0	0%	0	0%	1	11%	0	0%	0	0%
Asian	212	14%	130	13%	2	3%	49	21%	27	21%	4	10%
Black or African American	212	25%	95	20%	1	3%	73	35%	30	33%	13	30%
Nat Hawaiian/other Pac Isl	11	22%	6	21%	0	0%	3	23%	0	0%	2	100%
White	861	7%	558	7%	2	0%	152	11%	137	12%	12	6%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	25	10%	12	7%	0	0%	8	26%	5	19%	0	0%
Race N/A	369	18%	250	18%	2	2%	68	25%	47	20%	2	2%
Total	1691	10%	1051	9%	7	1%	354	17%	246	15%	33	9%

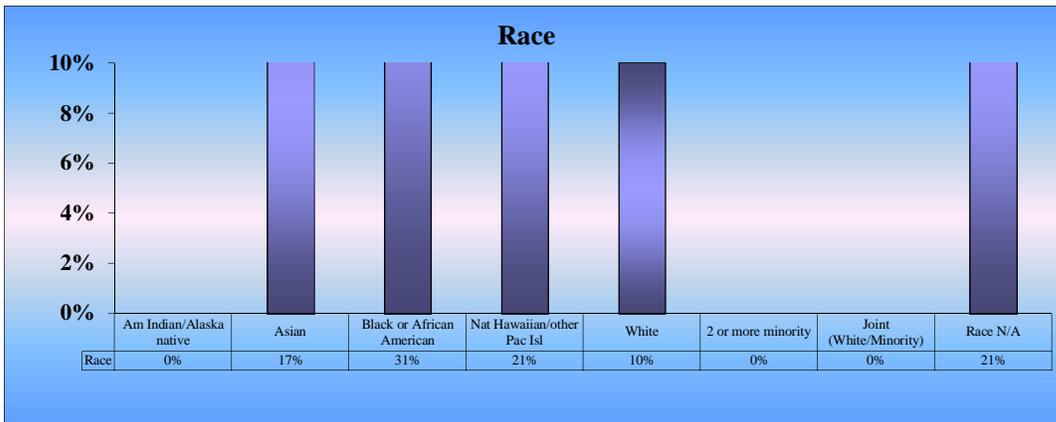
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Bank of America Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	29	17%	13	15%	1	14%	10	20%	5	31%	0	0%
Black or African American	46	31%	14	21%	0	0%	19	37%	9	53%	4	40%
Nat Hawaiian/other Pac Isl	3	21%	0	0%	0	0%	3	33%	0	0%	0	0%
White	80	10%	44	9%	0	0%	22	11%	13	16%	1	9%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	25	21%	11	19%	0	0%	10	26%	4	25%	0	0%
Total	183	15%	82	12%	1	2%	64	18%	31	23%	5	18%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Bank of New York Mellon



THE BANK OF NEW YORK MELLON

Bank of New York Mellon Overview

Bank of New York Mellon
One Wall Street
New York, NY 10286

Description

In 2007, Mellon Bank completed its \$16.5 billion merger with Bank of New York. The resulting institution, Bank of New York Mellon, is a \$182 billion global asset management and securities servicing company operating in 36 countries. The company has \$25 trillion in assets under custody and administration, and \$1.2 trillion in assets under management. The bank’s 1-4 family residential mortgage portfolio totals \$2.1 billion.

In the years preceding the merger, both BNY and Mellon effectively withdrew from both retail banking and mortgage lending activities. Mellon sold its retail banking operations to Citizens Financial Group in 2001, while BNY sold its retail business to JPMorgan Chase in 2006. In March 2007, BNY sold its mortgage lending arm to EverBank.

Bank of New York Mellon’s primary business focus is now on trust and custody activities, with an emphasis on institutional securities processing. The bank does not extend home mortgage, small business, or consumer credit to retail customers or to the public. The bank does, however, originate some retail loans to accommodate its private banking clientele.

Principal Officers

Chairman & CEO

Robert P. Kelly
One Wall Street
New York, NY 10286
212-495-1784

CFO

Thomas P. Gibbons
One Wall Street
New York, NY 10286
212-495-1784

Chief Compliance Officer

Thomas P. Gibbons
One Wall Street
New York, NY 10286
212-495-1784

Employees

Number of Employees	32,437 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	51
Branches Within Boston MSA	1
Number of ATMs	0
Number of Free-Standing ATMs	0

CRA Rating

Rating Agency	Federal Reserve Bank of New York
Most Recent Rating	2009
Overall Rating	SATISFACTORY ²
Lending Test Rating	NOT ASSESSED
Investment Test Rating	NOT ASSESSED
Service Test Rating	NOT ASSESSED

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by Federal Reserve Bank of New York published 2009.



Discussion

BNY Mellon’s performance was evaluated using the FFIEC interagency procedures for wholesale and limited purpose institutions.

As a result, the scope of the CRA evaluation is limited to: community development lending; the level and nature of qualified investments; and community development services. The evaluation gives only an overall rating, and does not examine the bank’s Massachusetts activities. **Ratings are provided for reference only.**

Overall Rating: SATISFACTORY³

BNY Mellon provided an adequate level of community development loans, qualified investments, and community development services, which were responsive to the credit and community development needs in the bank’s assessment area.

The bank’s performance in all three evaluation areas has deteriorated significantly since the last CRA evaluation in 2007.⁴

Community Development Lending

BNY Mellon had an adequate level of community development loans and community development services.⁵

BNY Mellon’s community development lending during the examination period totaled \$572 million. This total represents a significant reduction of \$74 million, or 11 percent, compared to the prior CRA examination.

Most of the loans (83%) were extended to organizations that provide affordable housing, and were responsive to critical community development needs in the assessment area. In addition, some of the loans had flexible terms that resulted in reduced financing costs for borrowers. Some of the loans were considered

complex, requiring coordination with multiple government sources of finance.⁶

Level and Nature of Qualified Investments

BNY Mellon made occasional use of complex qualified investments, particularly investments that are not routinely provided by investors.⁷

The bank made \$365 million in qualified investments, an increase of 25 percent, compared to the level of investments at the prior examination. New investments totaled \$242 million, or 66 percent. The new investments included \$4 million in small dollar grants and donations, to organizations providing community development services and activities.

Ninety-nine percent of the bank’s qualified investments are Low Income Housing Tax Credits, which are considered complex due to highly technical accounting requirements. These investments are responsive to the assessment area’s critical need for affordable housing.⁸

Community Development Services

BNY Mellon displayed adequate responsiveness to credit and community economic development needs in its assessment area.⁹

BNY Mellon provides community development services through board and committee memberships, the provision of technical assistance, and programs that respond to identified needs within distressed communities. The bank’s level of community development services decreased 49 percent, from 177 to 90 services, since the prior CRA examination.

Most of the community development services provided involved regular participation by BNY Mellon management on boards, loan committees, and advisory committees of local community development organizations. These services

³ Based on most recent CRA Performance Evaluation by Federal Reserve Bank of New York published 2009.

⁴ Ibid.

⁵ Based on most recent CRA Performance Evaluation by Federal Reserve Bank of New York published 2009.

⁶ Ibid.

⁷ Based on most recent CRA Performance Evaluation by Federal Reserve Bank of New York published 2009.

⁸ Ibid.

⁹ Based on most recent CRA Performance Evaluation by Federal Reserve Bank of New York published 2009.



required the employment of technical and financial skills. BNY Mellon’s community development services, while not particularly complex, included services that were responsive to the needs of the assessment area.¹⁰

In 2010, the bank’s total Massachusetts philanthropic cash giving totaled \$3.2 million. Giving was focused on workforce development, as well as grants to agencies that feed those with critical or chronic illness.¹¹

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
BNY Mellon Center One Boston Place Boston, MA 02108 <small>FSB: Full Service Branch</small>		✓

Year-Over-Year at a Glance

HMDA And Low-Income Loans

In 2010, BNY Mellon originated 22 HMDA-reportable loans in the Boston MSA, and no low-income loans. This is consistent with 2009 lending levels, and represents a 44% decrease from 2008 lending levels.¹²

	2008	2009	2010
HMDA Applications Received	49	24	27
HMDA Loans Originated	39	17	22
Low-Income Applications Received	0	1	0
Low-Income Loans Originated	0	0	0

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.0%	0.3%	0.1%
Moderate	0.0%	0.1%	0.1%
Middle	0.0%	0.0%	0.0%
Upper	0.0%	0.3%	0.1%
Total	0.0%	0.2%	0.1%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	1.0%	2.2%	2.1%
Moderate	0.0%	1.8%	1.4%
Middle	0.2%	0.5%	0.0%
Upper	0.7%	3.3%	1.4%
Total	0.5%	2.1%	1.2%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for BNY Mellon in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

¹⁰ Ibid.

¹¹ BNY Mellon 2010 Corporate Social Responsibility Report.

¹² FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Federal Reserve Bank of New York; June 15, 2009.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

FDIC Institution Directory
<http://www2.fdic.gov/idasp/main.asp>

BNY Mellon Corporation Annual Report 2009 and 2010.

BNY Mellon 2010 Corporate Social Responsibility Report.

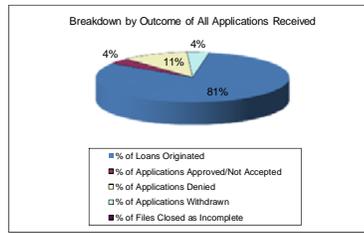
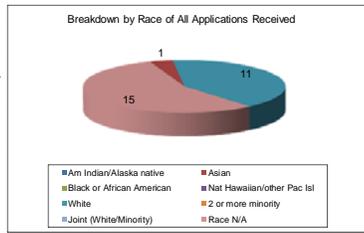
BNY Mellon website:
<http://www.bnymellon.com/>

Mellon Trust of New England HMDA Mortgage Information

2010

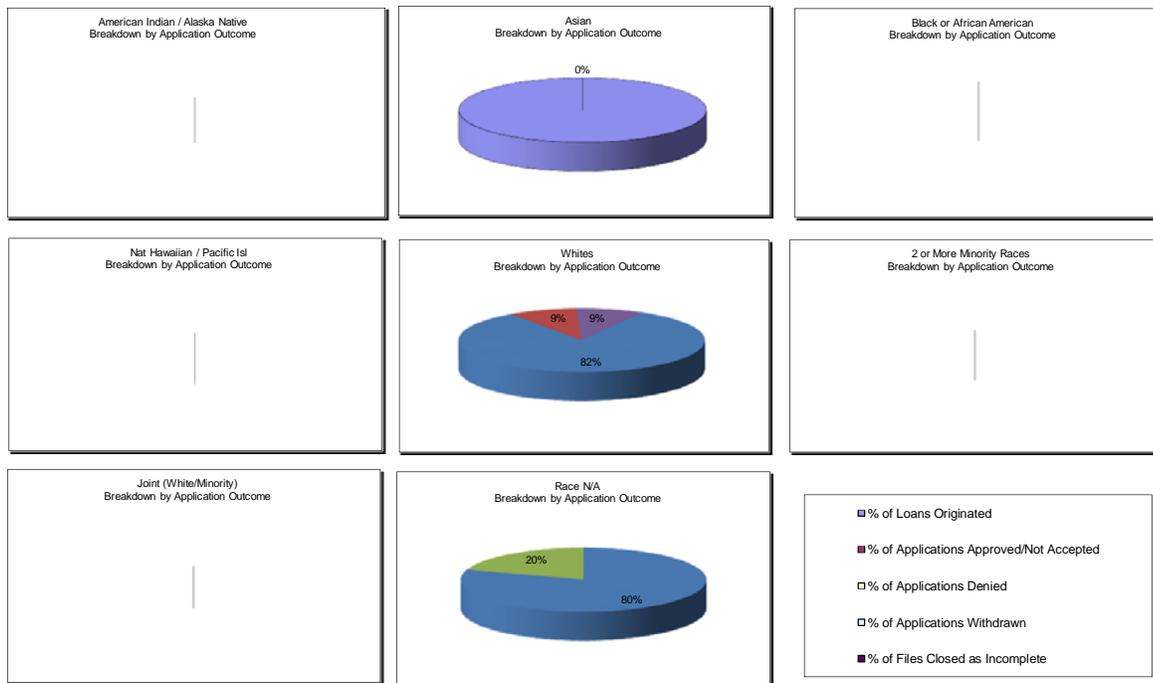
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	1	4%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	11	41%	9	82%	1	9%	0	0%	1	9%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	15	56%	12	80%	0	0%	3	20%	0	0%	0	0%
Total	27	100%	22	81%	1	4%	3	11%	1	4%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



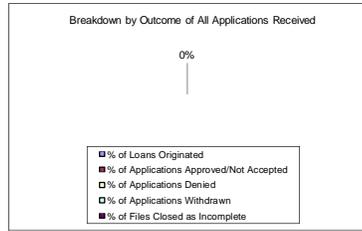
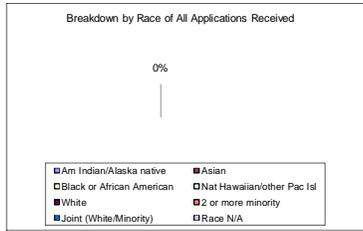
Mellon Trust of New England Low-Income Mortgage Information

Note: No Data Reported for the Boston/Quincy Region

2010

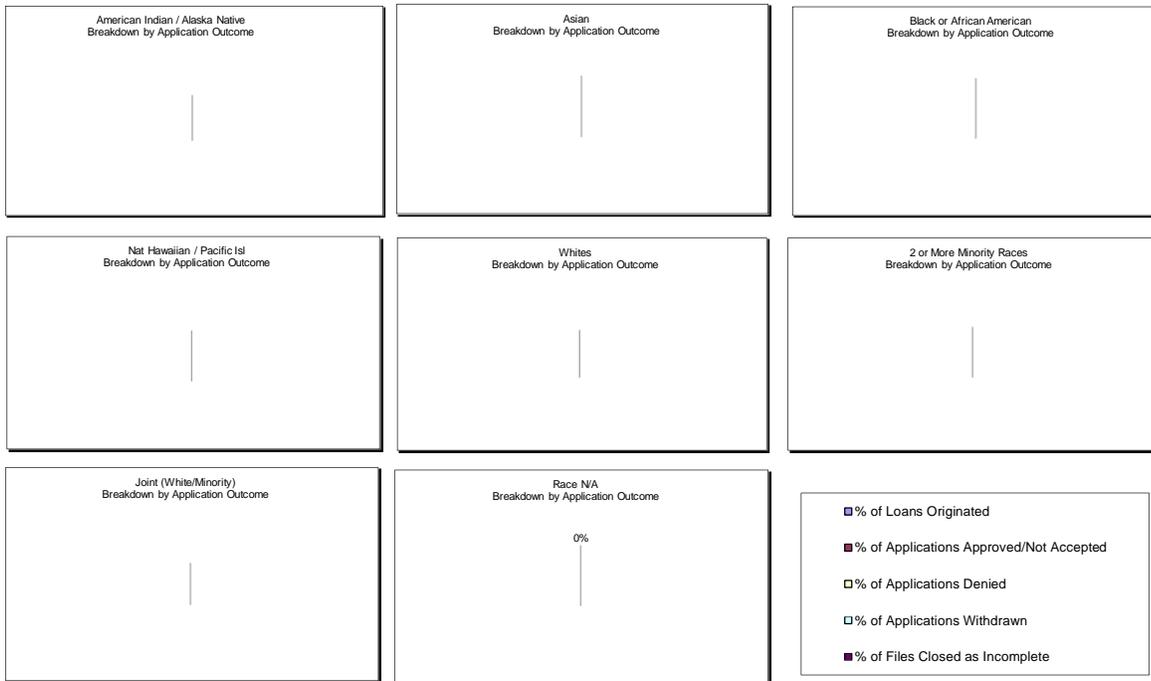
Race	% of Total		% of Loans		% of Applications		% of Applications		% of Applications		% of Files	
	Applications Received	Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	Applications Approved/Not Accepted	Applications Denied	Applications Denied	Applications Withdrawn	Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

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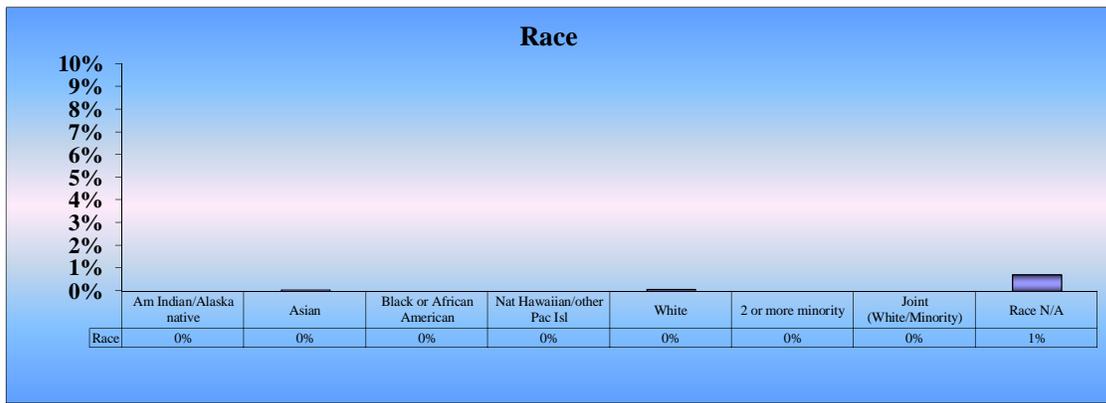
Compared against the MSA Aggregate Total

2010

Mellon Trust of New England HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	11	0%	9	0%	1	0%	0	0%	1	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	15	1%	12	1%	0	0%	3	1%	0	0%	0	0%
Total	27	0%	22	0%	1	0%	3	0%	1	0%	0	0%

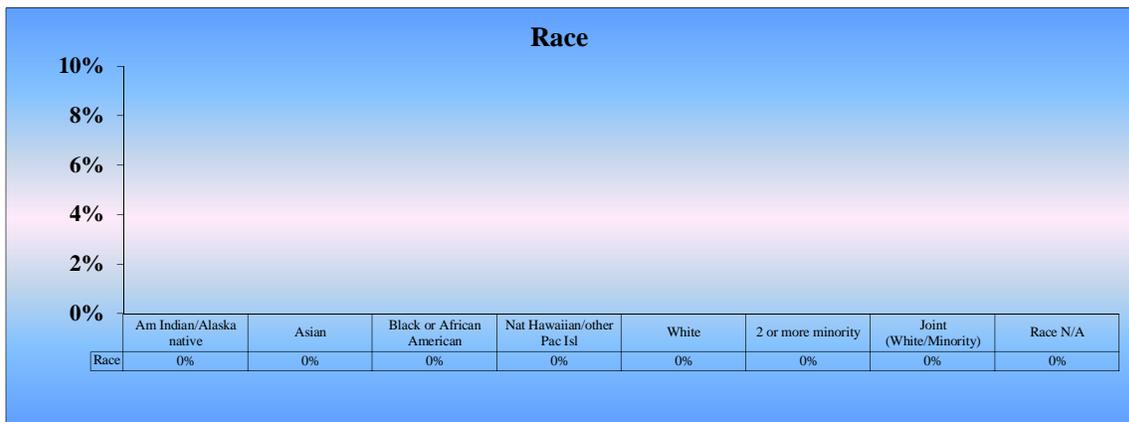
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Mellon Trust of New England Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Boston Private Bank



**BOSTON PRIVATE BANK
& TRUST COMPANY**

Boston Private Bank Overview

Boston Private Bank & Trust Company
10 Post Office Square
Boston, MA 02109

Description

Boston Private Bank & Trust Company is a \$3.45 billion stock-owned commercial bank headquartered in Boston. The bank is a subsidiary of Boston Private Financial Holdings, a publicly traded three-bank holding company founded in 1987.

Boston Private Bank & Trust Company specializes in providing banking, investment, and fiduciary products to high-net-worth individuals, families and businesses.

Although established as a wealth management company, the bank has developed a strong community banking orientation by offering retail deposit and loan products that appeal to a wide customer base, including those of low- and moderate-income. It has also demonstrated a positive commitment to the communities in which it operates through its community development lending, investments, and services.

Over half of the bank's total loans and leases are secured by 1-4 family residential properties.

In February 2011, Boston Private Financial Holdings, the bank's holding company, announced plans to consolidate the charters of its four daughter banks into a single, integrated bank chartered in Massachusetts.¹

Principal Officers

CEO & President

Mark D. Thompson
10 Post Office Square
Boston, MA 02109
617-912-1900

CFO

Anne L. Randall
10 Post Office Square
Boston, MA 02109
617-912-1900

Chief Risk Officer

W. Timothy MacDonald
10 Post Office Square
Boston, MA 02109
617-912-1900

Employees

Number of Employees	315 ²
Number of Employees in Massachusetts	315
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	12
Branches in Boston	5
Number of ATMs	16
Number of Free-Standing ATMs	6

CRA Rating

Rating Agency	FDIC
Most Recent Rating	2011
Overall Rating	OUTSTANDING³
Lending Test Rating	OUTSTANDING
Investment Test Rating	OUTSTANDING
Service Test Rating	OUTSTANDING

² FDIC Institution Directory

³Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹ Boston Private Bank website.



Discussion

Overall rating: OUTSTANDING⁴

Large bank CRA examination procedures were utilized for Boston Private Bank’s evaluation. The assigned rating is based on the results of three performance tests: the Lending Test, the Investment Test, and the Service Test.

Lending Test

Lending Test Rating: OUTSTANDING⁵

General Responsiveness to Credit Needs

Boston Private Bank’s lending activity reflects an excellent responsiveness to the assessment area’s credit needs. The bank actively originates home mortgage and small business loans, and is a leader in the origination of community development loans in its assessment area.

In 2010, Boston Private originated 775 home loans, compared to 946 in 2009; however the Bank’s originations by total dollar amount increased by 4.4 percent from 2009 to 2010. This increase is notable given the weaknesses in the housing market and the tightening of credit underwriting that occurred throughout the industry.⁶

Responsiveness to Low- and Moderate-Income Credit Needs

Boston Private Bank has achieved an excellent penetration of loans among retail customers of different income levels and businesses of different sizes. The distribution of home mortgages by borrower income, compared to assessment area demographics and aggregate lending performance, demonstrates the Bank’s commitment to, and success in, extending credit to borrowers of all income levels, especially those of low- and moderate-income.⁷

The Bank’s residential lending data reflects excellent penetration among the area’s low-, moderate-, middle-, and upper-income borrowers, particularly low- and moderate-income borrowers.

The bank’s volume of lending to low-income borrowers, especially in the home purchase category, was excellent compared to aggregate data. The percentage of lending to moderate-income borrowers exceeded the percentage of moderate- income families in the area. The Bank had a very strong penetration in the home purchase category to these borrowers.

In 2010, the distribution of the home loans among the borrower income categories remains positive compared to the area’s demographics. Although there was a slight decrease in lending to low- and moderate-income borrowers, the Bank’s performance was still considered strong considering the extent of the economic deterioration that has occurred during this time period.⁸

Boston Private’s geographic distribution of home mortgage and small business loans reflects excellent dispersion throughout the assessment area’s low-, moderate-, middle-, and upper-income census tracts.

The bank was particularly successful in extending Home Purchase Loans in low-income geographies. In 2009, Boston Private extended 10.2 percent of its home purchase loans in low-income census tracts, which is excellent compared against the demographics (1.8 percent), and aggregate lending performance (3.7 percent). Similarly, the Bank made 25.6 percent of its home purchase loans in moderate-income census tracts, which compares favorably against the demographics (16.0 percent), and the aggregate lending data (21.4 percent). The Bank continued its strong performance into 2010.⁹

⁴ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁵ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.



Leadership in Community-Development

Loans

Boston Private continues to demonstrate its leadership role in community development lending. The community development loans originated throughout the evaluation period have had a significant impact on the communities in which the loans were made. Several of the loans were utilized for the creation of affordable housing for low- and moderate-income individuals and in low- and moderate-income geographies.

During the evaluation period of 2009-2011, the Bank originated 93 loans, totaling \$229.4 million. This was a dramatic increase from the previous evaluation (2006-2008), when the Bank originated 43 community development loans totaling \$86.4 million. Given the needs of the assessment area and the weakened economy, the Bank's performance is considered excellent.¹⁰

The following are examples of significant community development projects funded by the Bank:

- \$10 million loan to a charter school in Lynn serving students from low-income families.
- \$10 million loan for construction and bridge financing for a 75-unit rental housing development for low- and moderate-income people.
- Over \$50 million in a tax exempt bond for the rehabilitation and construction of affordable public housing developments in Cambridge.
- \$14.5 million in new construction financing for the purpose of economic development/revitalization of a retail plaza, which created 300 permanent jobs during a severe recession.

The Bank originated six additional community development purpose loans totaling approximately \$2.9 million inside the assessment area. The loans provided funds for community development organizations and for affordable housing.¹¹

¹⁰ Ibid.

¹¹ Ibid.

Innovative & Flexible Lending Practices

The Bank makes extensive use of innovative and flexible lending programs in order to serve its assessment-area credit needs. Several loan programs offered by the Bank are specifically tailored to assist low- and moderate-income individuals in attaining homeownership by offering below-market interest rates with flexible underwriting guidelines.¹²

Several factors contribute to the Bank's success in originating loans to borrowers of low- and moderate-income. First, the Bank is effectively using Soft Second mortgage loan programs to assist applicants in obtaining homeownership. Boston Private Bank & Trust Company has been consistently ranked the number-one Soft Second mortgage lender in Boston, and is among the top five lenders in Massachusetts overall.

Second, the Bank originates loans utilizing MassHousing loan programs. MassHousing offers a number of different loan programs tailored for low- and moderate-income borrowers which feature low interest rates and flexible underwriting standards. The bank participates in the MassHousing Mortgage Program, Home Saver Program, and My Community Mortgage Program. The bank originated 431 MassHousing program loans totaling over \$83 million during the CRA evaluation period.

Third, the Bank made extensive use of equity builder funds from the Federal Home Loan Bank of Boston (FHLBB) to assist low- and moderate-income borrowers in purchasing a home. The equity builder funds provide borrowers with down payment and closing cost assistance to help consumers who might not otherwise qualify for financing to obtain a home.

Fourth, the Bank maintains relationships with important community development organizations that develop affordable housing and provide services to first-time homebuyers. These positive working relationships have proven effective in reaching low- and moderate- income homebuyers.

Boston Private Bank works with the City of Boston Department of Neighborhood

¹² Ibid.



Development on its Foreclosure Prevention Initiative and was designated in 2006 as a “*First Choice Lender*” by Mayor Thomas Menino. The Bank provides mortgage financing using flexible underwriting criteria and works with Boston’s Home Center and nonprofit homeowner counseling agencies to help victims of predatory lending. The Bank has originated few loans under this program due to current market conditions and the limited number of qualified applicants.¹³

Investment Test

Investment Test Rating: OUTSTANDING¹⁴

Boston Private has an excellent level of qualified community development investments. The Bank’s qualified investments demonstrate an excellent responsiveness to the area’s economic development needs. In addition, the Bank makes significant use of innovative or complex investments to support community development initiatives.

During the examination period, the Bank demonstrated an excellent level of investments in affordable housing programs, economic development programs and organizations that meet a range of community development needs, particularly for the low- or moderate-income residents of its assessment area.¹⁵

Community Development Investments & Grants

The Bank’s new qualified investments totaled approximately \$230 million for the examination period 2009-2011. This total includes new equity investments in affordable housing, small businesses, and community development grants. Retained investments from prior commitments totaled almost \$22 million.¹⁶

During the exam period, the Bank invested \$1 million in Massachusetts Housing Equity Fund

XVIII of the Massachusetts Housing Investment Corporation, which works to finance affordable housing in low- or moderate-income communities in Massachusetts. Boston Private Bank has specified that investments be limited to partnerships whose investments will be targeted to the Boston Metropolitan area. The Bank’s prior investments in five MHEF funds total \$4.15 million.

During the examination period, Boston Private made \$227 million in Ginnie Mae Bond purchases. This investment provides capital to the national housing market to help make affordable housing a reality for low- and moderate-income households.¹⁷

The bank also purchased over \$800,000 of Massachusetts Historic Rehabilitation Tax Credits to support the Jamaica Plain Neighborhood Development Corporation and the Neighborhood Of Affordable Housing, a single room occupancy residence for formerly homeless men in East Boston.

Boston Private Bank has provided grants to various organizations that provide community services as defined by the regulation or have instituted programs targeting low- or moderate-income persons or geographies. Such qualifying services include community-based childcare, healthcare, education, and social services. During the review period, Boston Private Bank provided \$1.2 million in qualified grants and donations to numerous organizations.

Service Test

Service Test Rating: OUTSTANDING¹⁸

Description of Service-Delivery Systems

The Bank’s delivery systems are accessible to essentially all portions of the assessment area. The Bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. Services and hours of

¹³ Ibid.

¹⁴ Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Based on most recent CRA Performance Evaluation by FDIC published 2011.



operations are tailored to meet the needs of the assessment area.¹⁹

The Bank’s low-cost checking and saving account, as well as the convenience of its automated telephone banking service, customer service center, and website, are tailored to the convenience and needs of its assessment area.

Community Development Services

Boston Private Bank is considered a leader with respect to its community development service involvement. Officers and employees of the Bank of have provided a high level of service activity in response to community needs. Retail banking services and products offer consumers flexibility and convenience. In addition, officers and employees of the Bank provide an excellent level of involvement in community organizations located throughout its assessment area.

Approximately 38 officers and employees of the Bank are involved in nearly 95 local community development and non-profit organizations in various capacities. Bank personnel serve as directors, officers, treasurers, committee members, and volunteers, and provide many services such as fundraising, public relations, finance, and administrative support. In many cases, involvement in these organizations has led to loans and grants.²⁰

Boston Private partners with non-profit organizations and public agencies involved in low- and moderate-income communities to provide financial literacy education. Subjects typically covered in the training include basic banking, budgeting, and credit issues.

From 2008 to the first quarter of 2011, 20 employees taught 45 financial literacy classes to elementary, middle, and high school students in the Boston public schools and to various community organizations. The community organizations involved in the training offer after-school or leadership programs for low- and moderate-income students.

The bank’s loan officers regularly collaborate with non-profit agencies in providing first-time

homebuyer counseling classes. Classes are available in English and Spanish and translations into Chinese are also offered. Between 2008 and the first quarter 2011, loan officers from the bank taught 109 seminars, reached 3,363 people, and worked with 26 organizations.²¹

The bank is a corporate sponsor for two Main Streets programs, the Hyde-Jackson Main Street Program and the Dudley Square Main Street Program. These programs are economic development initiatives by merchants and local residents working cooperatively with the City of Boston. In addition to grant support, bank staff serve on boards and committees for the groups, volunteer at fund raising and community events, and host small business networking and training events.

Boston Private Bank also supports the work of the Earned Income Tax Credit Coalition of the City of Boston. It conducts a Social Investing Series as a means to increase its involvement in the community, and it administers a Community Partner Outreach program as a means to obtain a more in-depth understanding of the community development and credit needs of the local area.

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
10 Post Office Square Boston, MA 02109	✓	✓
500 Boylston Street Boston, MA 02116	✓	✓
Jamaica Plain Loan Center 401c Centre Street Jamaica Plain, MA 02130	✓	✓
157 Seaport Boulevard Boston, MA 02210	✓	✓
800 Boylston Street Boston, MA 02199	✓	✓

FSB: Full Service Branch

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.



Year-Over-Year at a Glance

HMDA And Low-Income Loans

Boston Private Bank's HMDA lending rose 14% from 2008 to 2009, even though the number of applications received held steady. Both applications received and HMDA loans originated fell in 2010.

The bank's low-income HMDA lending decreased from 2008 to 2009, though the bank originated nearly 80% of low-income applications received. The bank's 2010 low-income HMDA lending was nearly identical to 2009 levels.²²

	2008	2009	2010
HMDA Applications Received	377	378	356
HMDA Loans Originated	277	317	278
Low-Income Applications Received	84	46	45
Low-Income Loans Originated	60	37	35

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.1%	2.0%	1.0%
Moderate	0.0%	0.4%	0.4%
Middle	0.3%	0.6%	0.6%
Upper	1.2%	3.1%	2.2%
Total	0.2%	1.4%	1.0%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			

	2008	2009	2010
Low	12.8%	8.6%	6.3%
Moderate	12.0%	4.8%	3.6%
Middle	4.4%	6.0%	4.9%
Upper	13.3%	15.3%	14.7%
Total	9.9%	9.1%	7.5%

Please refer to the addendum [The City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans](#) for details on small business loans. The small business loan activity for Boston Private Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum [City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract](#) for details on loan information by census tract.

²² FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Federal Deposit Insurance Corporation; August 15, 2011.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

2009 Linked Deposit Banking Report to the Mayor of the City of Boston, BankIQ; March 2011.

FDIC Institution Directory

<http://www2.fdic.gov/idasp/main.asp>

Boston Private Wealth Management Group Annual Report 2010.

Boston Private Bank Annual Report 2010.

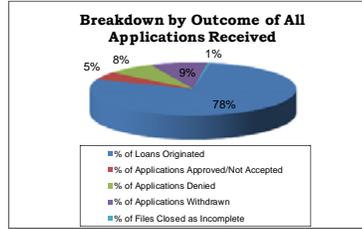
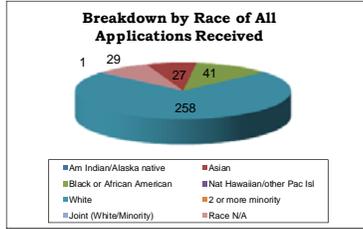
Boston Private Bank website:

<http://www.bostonprivatebank.com/>

Boston Private Bank HMDA Mortgage Lending 2010

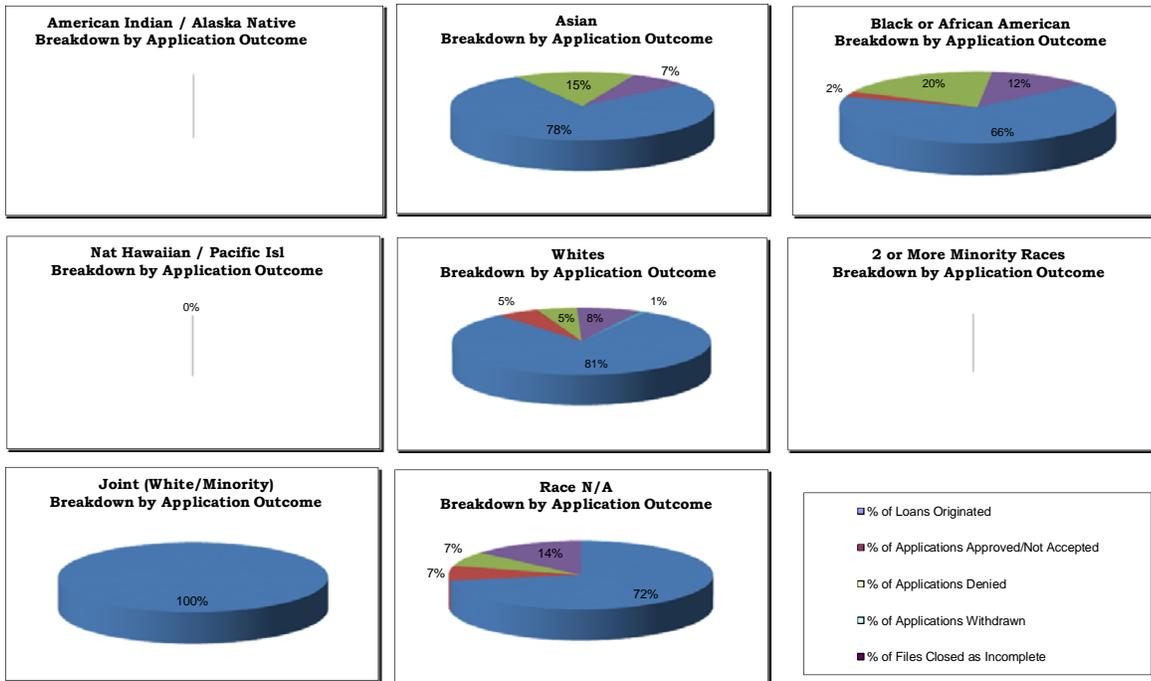
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Asian	27	8%	21	78%	0	0%	4	15%	2	7%	0	0%
Black or African American	41	12%	27	66%	1	2%	8	20%	5	12%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	258	72%	208	81%	14	5%	13	5%	21	8%	2	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%
Race N/A	29	8%	21	72%	2	7%	2	7%	4	14%	0	0%
Total	356	100%	278	78%	17	5%	27	8%	32	9%	2	1%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

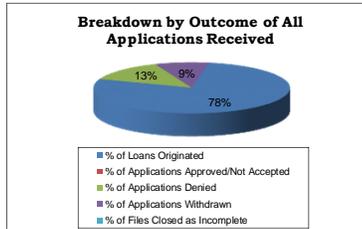
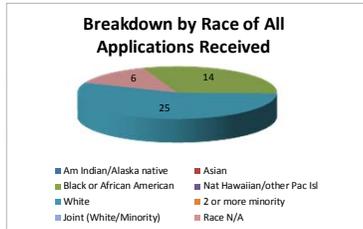
The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



Boston Private Bank Low-Income Mortgage Lending 2010

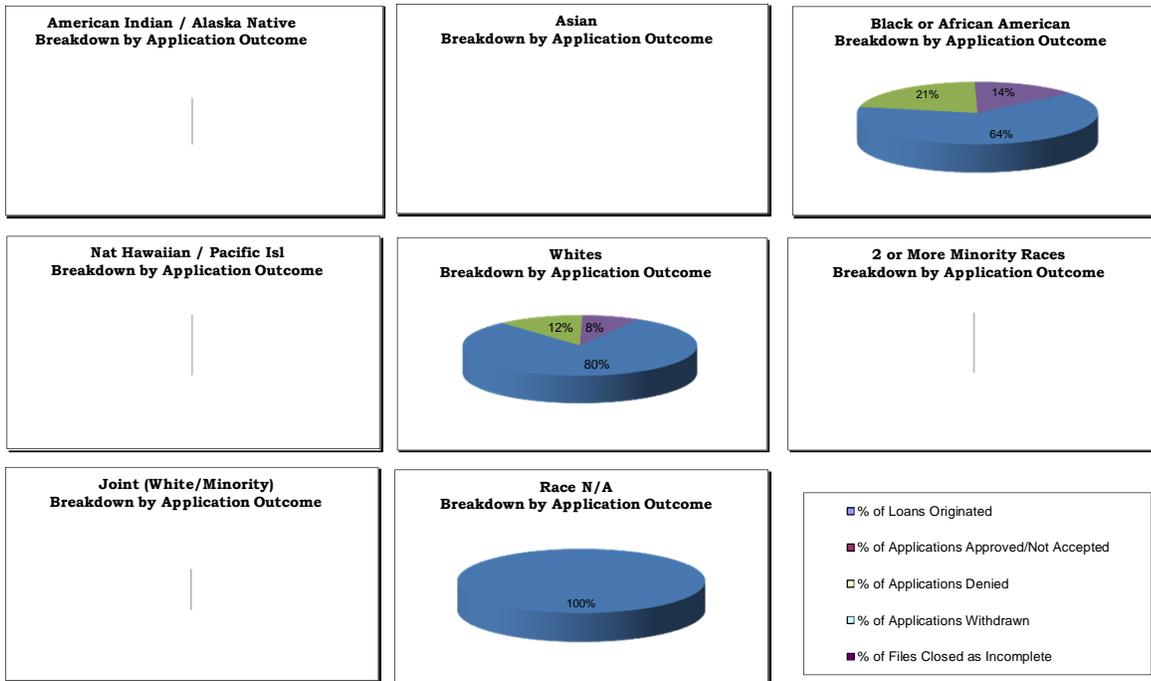
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	14	31%	9	64%	0	0%	3	21%	2	14%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	25	56%	20	80%	0	0%	3	12%	2	8%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	6	13%	6	100%	0	0%	0	0%	0	0%	0	0%
Total	45	100%	35	78%	0	0%	6	13%	4	9%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



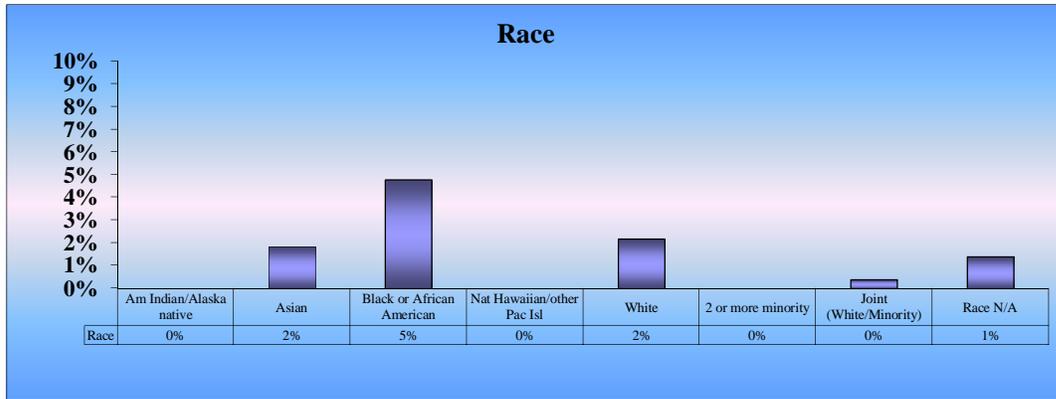
Compared against the MSA Aggregate Total

2010

Boston Private Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	27	2%	21	2%	0	0%	4	2%	2	2%	0	0%
Black or African American	41	5%	27	6%	1	3%	8	4%	5	5%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	258	2%	208	2%	14	3%	13	1%	21	2%	2	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	0%	1	1%	0	0%	0	0%	0	0%	0	0%
Race N/A	29	1%	21	2%	2	2%	2	1%	4	2%	0	0%
Total	356	2%	278	2%	17	2%	27	1%	32	2%	2	1%

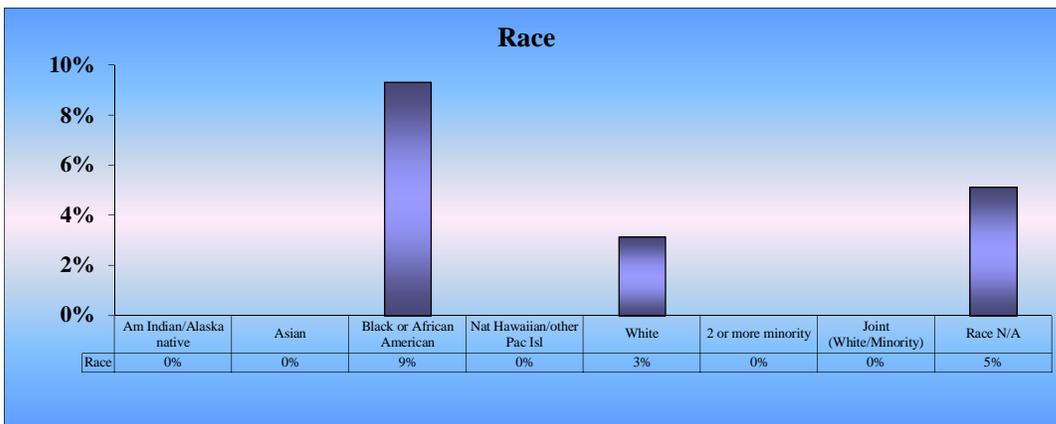
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Boston Private Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	14	9%	9	13%	0	0%	3	6%	2	12%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	25	3%	20	4%	0	0%	3	2%	2	2%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	6	5%	6	11%	0	0%	0	0%	0	0%	0	0%
Total	45	4%	35	5%	0	0%	6	2%	4	3%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Cathay Bank



Cathay Bank Overview

Cathay Bank
9650 Flair Drive
Los Angeles, California 91731

Description

Cathay Bank is a \$10.7 billion commercial bank headquartered in Los Angeles, California. It is wholly owned by Cathay General Bancorp (Nasdaq: CATY), a one-bank holding company.

Cathay Bank primarily operates in California markets with a concentration of Chinese-American individuals and businesses; however, the bank operates a total of 50 branch offices in seven states, including one branch in Massachusetts. The bank also operates one branch in Hong Kong, and offices in Taipei and Shanghai.

Cathay Bank is primarily a commercial lender. The majority of its loans are commercial mortgage loans, commercial loans, and real estate construction loans. 1 to 4 family residential loans make up only 16.7% of the bank's loan portfolio.

Cathay Bank entered the Boston market in 2003, at the completion of its merger with General Bank. The bank's Massachusetts activities account for only a minor portion of the bank's overall lending, investments, and services; Massachusetts represents only 2.7% of Cathay Bank's loans and 0.8% of deposits.

Cathay Bank Principal Officers

Chairman, President, and CEO

Dunson K. Cheng
9650 Flair Drive
Los Angeles, California 91731
213-625-4700

CFO

Heng W. Chen
9650 Flair Drive
Los Angeles, California 91731
213-625-4700

Chief Credit Officer

Kim R. Bingham
9650 Flair Drive
Los Angeles, California 91731
213-625-4700

Employees

Number of Employees	971 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	50
Branches Within Boston PSMA	1
Number of ATMs in Boston	1
Number of Free-Standing ATMs	0

CRA Rating for Massachusetts

Rating Agency	FDIC
Most Recent Rating	2010
Overall Rating in Massachusetts	SATISFACTORY ²
Lending Test Rating in Massachusetts	High Satisfactory
Investment Test Rating in Massachusetts	Low Satisfactory
Service Test Rating in Massachusetts	High Satisfactory

¹ FDIC Institution Directory

² Based on most recent CRA Performance Evaluation by FDIC published 2010.



Discussion

Overall rating for Massachusetts: SATISFACTORY³

Cathay Bank received both an overall rating for its nation-wide activities, and a rating for its Massachusetts activities. The bank’s national ratings were similar to its Massachusetts ratings. It received an overall rating of Satisfactory; High Satisfactory on the Lending Test; and Low Satisfactory on the Investment Test and the Service Test.

The CRA evaluation of Cathay Bank’s Massachusetts activities state rating was based exclusively on the bank’s Boston MSA activities.

Lending Test

Lending Test Rating for Massachusetts: HIGH SATISFACTORY⁴

General Responsiveness to Credit Needs

Cathay Bank’s lending levels reflect an overall good responsiveness to Boston MSA credit needs. In 2009, for example, the bank originated 17 HMDA loans, of which 14 were for 1 to 4 family properties and three were for multifamily properties. Total HMDA loans in Boston represent 2.1 percent of the bank’s overall HMDA lending in 2009.⁵

Responsiveness to Low- and Moderate-Income Credit Needs

The bank exhibits an overall good record of serving the credit needs of the most economically disadvantaged areas in Boston, including low-income geographies, low-income individuals, and very small businesses.

Cathay Bank’s distribution of 1 to 4 family property loans reflects adequate penetration among borrowers of different income levels in Boston. The bank’s lending to low-income

borrowers consistently exceeds the aggregate by three to four times, though it is less than the percentage of low-income families in the Boston assessment area.

The bank’s performance in originating loans in low-income census tracts also exceeds aggregate lending data. The geographic distribution of loans reflects an overall good dispersion throughout the assessment area. In 2009, for example, the bank originated 14.3 percent of 1 to 4 family property loans in low-income census tracts, and 28.6 percent in moderate-income census tracts. This exceeds both the aggregate (3.7 percent and 23.9 percent, respectively), and the percentages of owner-occupied housing units (2.3 percent and 22.0 percent, respectively).⁶

Community Development Lending

Cathay Bank’s service to low-income households is somewhat enhanced through the bank’s community development lending and investment activities that serve the low-income population by providing much-needed affordable housing.

The bank has made an adequate level of community development loans in Boston. During the review period 2008-2010, Cathay Bank extended five community development loans totaling \$10.2 million. This represents approximately 2.0 percent by dollar volume of all of the bank’s community development loans funded during this review period.⁷

Innovative and/or Flexible Lending Practices

Cathay Bank makes little use of flexible lending practices in order to serve Boston-area credit needs. None of its programs are considered innovative, though some do contain flexible lending terms to assist borrowers who would otherwise not qualify for traditional banking products.⁸

The bank continues to offer its Community Homebuyers Loan Program, which targets first-

³ Based on most recent CRA Performance Evaluation by FDIC published 2010.

⁴ Based on most recent CRA Performance Evaluation by FDIC published 2010.

⁵ Ibid.

⁶ Based on most recent CRA Performance Evaluation by FDIC published 2010.

⁷ Ibid.

⁸ Ibid.



time homebuyers who earn less than 120 percent of median family income, or who are purchasing a residential property in a qualified low- or moderate-income census tract. During the period 2007-2010, however, the bank did not originate any loans under this program.⁹

Investment Test

Investment Test Rating for Massachusetts: LOW SATISFACTORY¹⁰

Cathay Bank has an adequate level of qualified community development investments and grants in Boston. The level and types of qualified investments held by the bank exhibit an adequate responsiveness to credit and community economic development needs within the Boston assessment area. In addition, the bank occasionally uses complex investments to support community development initiatives, including affordable housing.

During the review period 2008-2010, the bank invested \$1.1 million in the Massachusetts Housing Equity Fund to be used for low-income housing tax credits in Boston. Tax credits help provide much-needed affordable housing in Boston. The bank also maintains a \$3.3 million investment in MMA Fund 28 in Boston.

Cathay Bank also made ten grants totaling \$74,500 (3.2 percent of total grants and donations) to various community organizations that serve community development purposes in Boston.

Service Test

Service Test Rating for Massachusetts: HIGH SATISFACTORY¹¹

Cathay Bank's delivery systems are reasonably accessible to essentially all portions of the Boston assessment area. The bank has provided an adequate level of qualified community

development services in Boston.¹²

The bank's sole Massachusetts branch is located in a low-income census tract. This branch is full service, has an ATM, and the hours generally reflect the needs of the local communities served. This branch offers extended weekend banking hours on Saturday.

Community Development Services

Given the bank's limited presence in the State of Massachusetts, Cathay Bank provided a high level of qualified community development services in Boston. A significant majority of the bank's community development services focus on economic development and on providing community services to low- and moderate-income individuals.¹³

During the review period Cathay Bank provided 266 community development service hours (9.5 percent of all the bank's service hours) in Boston. The bank's community development services in Boston included:

- Preparing tax returns for low-income residents
- Advising a non-profit agency that provides occupational services to economically disadvantaged residents
- Serving as a member of a fundraising committee for a non-profit that provides assistance to low-income residents of Boston's Chinatown

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
621 Washington Street Boston, MA 02111	✓	✓

FSB: Full Service Branch

⁹ Ibid.

¹⁰ Based on most recent CRA Performance Evaluation by FDIC published 2010.

¹¹ Based on most recent CRA Performance Evaluation by FDIC published 2010.

¹² Ibid.

¹³ Ibid.



Year-Over-Year at a Glance

HMDA And Low-Income Loans

Cathay Bank’s HMDA lending levels have remained consistently low over the past decade. The bank did not made any low-income loans in Boston during the period 2001-2007. It made only one each in 2008 and 2009, and none in 2010.¹⁴

	2008	2009	2010
HMDA Applications Received	9	8	9
HMDA Loans Originated	9	6	7
Low-Income Applications Received	1	1	1
Low-Income Loans Originated	1	1	0

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.0%	0.2%	0.4%
Moderate	0.0%	0.0%	0.1%
Middle	0.0%	0.0%	0.0%
Upper	0.0%	0.0%	0.0%
Total	0.0%	0.1%	0.1%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	0.8%	0.7%	1.4%
Moderate	1.9%	0.4%	1.2%
Middle	0.0%	0.0%	0.0%
Upper	0.0%	0.0%	0.0%
Total	0.3%	0.3%	0.6%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for Cathay Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

¹⁴ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Federal Deposit Insurance Corporation; June 28, 2010.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor of the City of Boston, BankIQ; March 2011.

Cathay Bank Annual Reports, 2009 and 2010.

FDIC Institution Directory

<http://www2.fdic.gov/idasp/main.asp>

Cathay Bank website:

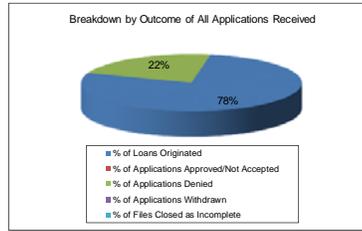
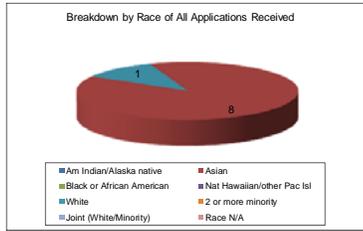
<http://www.cathaybank.com/>

Cathay General Bancorp HMDA Mortgage Information

2010

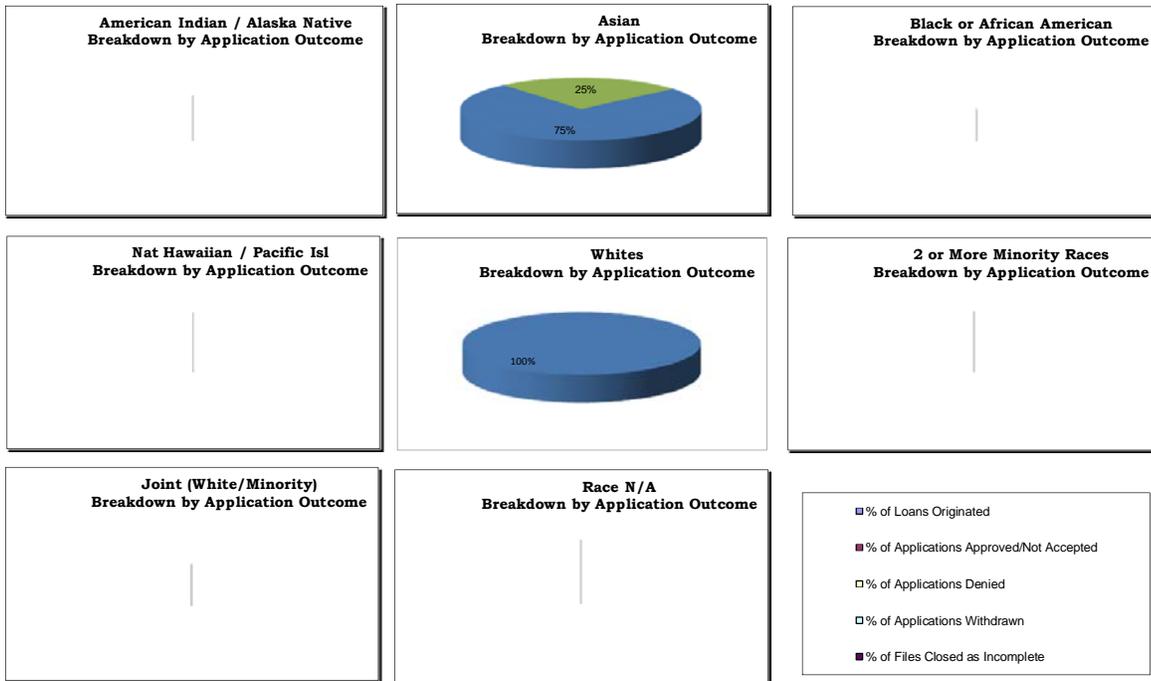
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	8	89%	6	75%	0	0%	2	25%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	1	11%	1	100%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	9	100%	7	78%	0	0%	2	22%	0	0%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

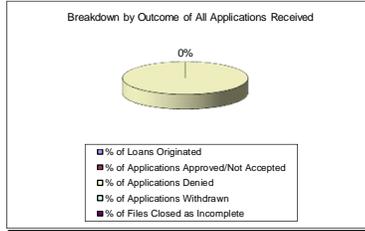
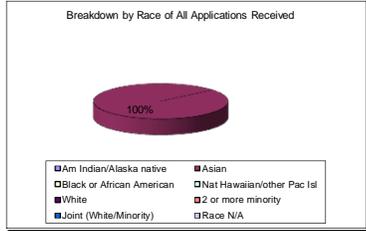


Cathay General Bancorp Low-Income Mortgage Information

2010

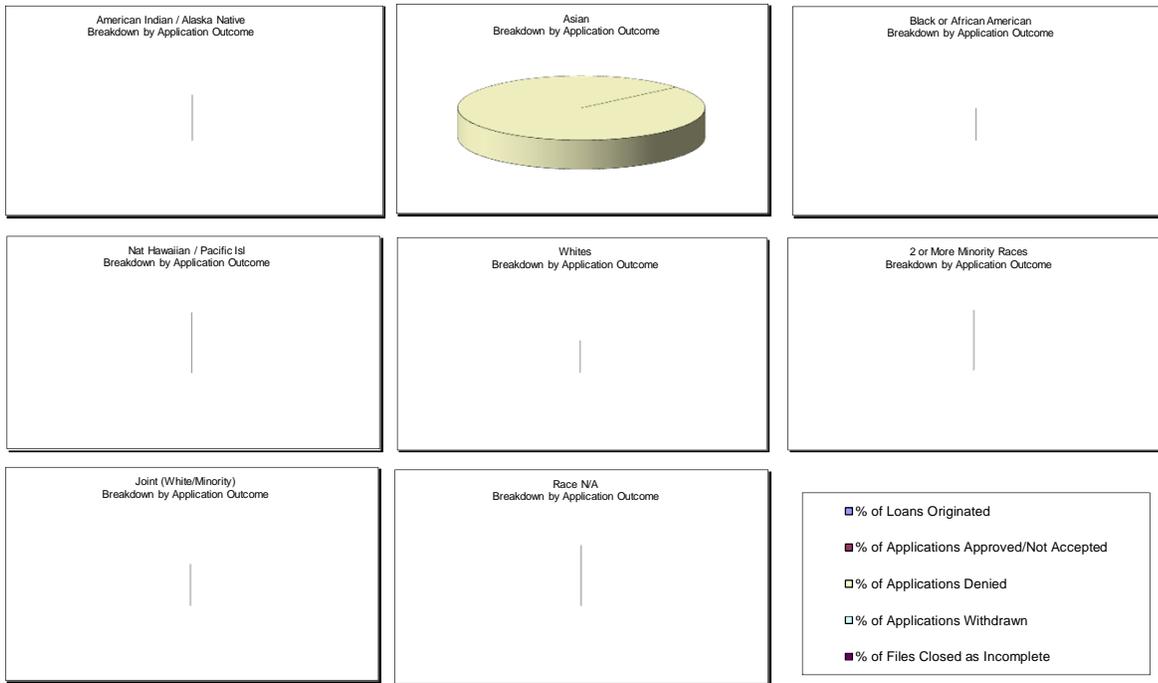
Race	Applications Received	% of Total Applications	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	100%	0	0%	0	0%	1	100%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	1	100%	0	0%	0	0%	1	100%	0	0%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



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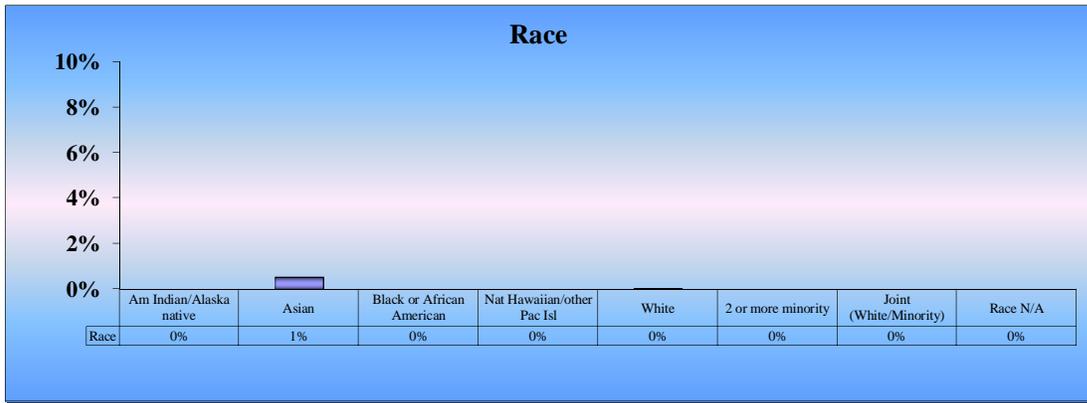
Compared against the MSA Aggregate Total

2010

Cathay General Bancorp HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	8	1%	6	1%	0	0%	2	1%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	9	0%	7	0%	0	0%	2	0%	0	0%	0	0%

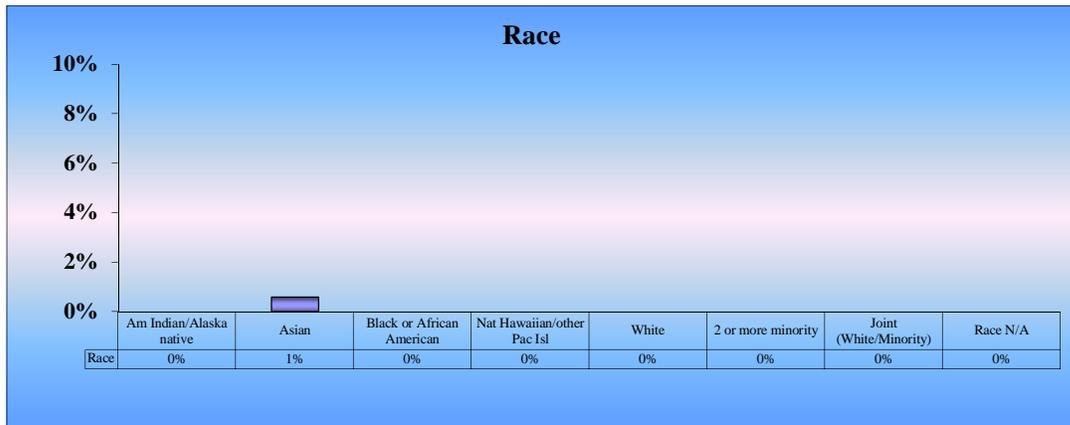
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Cathay General Bancorp Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	1%	0	0%	0	0%	1	2%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	1	0%	0	0%	0	0%	1	0%	0	0%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Century Bank & Trust



Century Bank
Banking for the New Century

Century Bank & Trust
102 Fellsway West at Mystic Avenue
Somerville, MA 02145

Description

Century Bank is a \$2.4 billion commercial bank headquartered in Somerville, Massachusetts. Century Bank operates 23 branches in 17 Massachusetts cities and towns. It is a wholly-owned subsidiary of Century Bancorp, Inc.

Century Bank’s 1 to 4 family residential lending portfolio has grown 35% since 2008. Today, the greatest share of the bank’s lending is in 1-4 family residential loans (\$321 million, or 36%), with a substantial proportion secured by commercial real estate (28%).

The bank has one wholly-owned subsidiary, Century Financial Services, Inc.

Principal Officers

CEO and President

Barry R. Sloane & Jonathan G. Sloane
102 Fellsway West at Mystic Avenue
Somerville, MA 02145
866-823-6887

CFO

William P. Hornby
102 Fellsway West at Mystic Avenue
Somerville, MA 02145
866-823-6887

Compliance Officer

Nancy Lindstrom
102 Fellsway West at Mystic Avenue
Somerville, MA 02145
866-823-6887

Employees

Number of Employees	340 ¹
Number of Employees in Massachusetts	340
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	23
Branches in Boston	5
Number of ATMs in Boston	6
Number of Free-Standing ATMs in Boston	1

CRA Rating

Rating Agency	FDIC
Most Recent Rating	2011
Overall Rating	SATISFACTORY ²
Lending Test Rating	HIGH SATISFACTORY
Investment Test Rating	LOW SATISFACTORY
Service Test Rating	HIGH SATISFACTORY

¹ FDIC Institution Directory

² Based on most recent CRA Performance Evaluation by FDIC published 2011.



Discussion

Overall rating: SATISFACTORY³

Lending Test

Lending Test Rating: HIGH SATISFACTORY⁴

General Responsiveness to Credit Needs

Century Bank’s lending activity reflects good responsiveness to credit needs in its assessment area, taking into account the number and dollar amount of home mortgage and small business loans. Since 2008, the bank’s 1 to 4 family residential loan portfolio increased 35.2 percent.⁵

Responsiveness to Low- and Moderate-Income Credit Needs

Century Bank’s overall distribution of loans reflects excellent penetration among individuals of different income levels and excellent penetration of business customers of different size.

The bank regularly surpasses the aggregate percentage of loans originated to low- and moderate-income borrowers. In 2009, the bank extended 6.7 percent of mortgage loans to low-income borrowers and 22.2 percent to moderate-income borrowers. In 2010, these percentages increased to 8.6 percent, and 23.2 percent respectively. The percentage of loans to low-income borrowers not only exceeds the aggregate, but also exceeds the percentage of low-income residents in the assessment area. Given the economic environment within the assessment area, this performance is considered very good.

The Bank’s geographic distribution of home mortgage and small business loans also reflects a good dispersion throughout the assessment area

in 2009 and 2010, particularly to low- and moderate-income geographies.⁶

Leadership in Community-Development Loans

Century Bank made a relatively high level of community development loans since the last CRA evaluation. In the period 2009-2011, Century Bank originated 15 qualified community development loans, totaling \$34 million. This represented a significant increase since the last evaluation in which the Bank originated 13 loans totaling \$20 million. Given the economic environment, this performance is considered good.⁷

In addition, Century Bank originated loans that had a broader community development purpose. These loans provided tangible benefits to the community and surrounding areas. Two such loans, totaling \$11 million, were made to the Special Olympics to construct a new headquarters and athletic facility. Century Bank also funded an \$11 million loan to Franciscan Hospital for Children to refinance existing debt and construct an additional section to the hospital so the facility could house more children.

In 2010, Century Bank approved a \$4.5 million tax exempt bond, \$1.5 million loan, and a \$2.5 million revolving line of credit to a non-profit agency located in Lynn. The agency provides “Meals on Wheels,” home care services, and rides for seniors and the disabled. The vast majority of the individuals served are low- or moderate-income. The Bank also made a \$35,000 commercial real estate loan to a not-for-profit corporation for the acquisition and redevelopment of two properties in Medford into affordable housing.⁸

In 2011, the Bank originated a \$198,000 loan in Roxbury. The loan was used to purchase a property which will be leased to a non-profit

³ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁴ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁵ Ibid.

⁶ Ibid.

⁷ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁸ Ibid.



child and family service agency. The bank also approved a \$615,000 loan and a \$1.5 million line of credit to an organization located in the Boston area, which serves emotionally disturbed and homeless children.

Innovative or Flexible Lending Practices

Century Bank makes limited use of innovative or flexible lending practices to serve assessment area credit needs.

Century Bank is an active member in the City of Malden’s Redevelopment Authority Housing programs, which allow the bank to offer first-time homebuyers a 5/1 adjustable-rate loan at below market rates.

The bank also maintains a relationship with United Guaranty and Radian, two companies through which the Bank offers mortgage insurance. This enables the Bank to insure a certain percentage of the loan, allowing homebuyers that do not have a sufficient down payment to obtain a mortgage. Throughout the evaluation period, the Bank originated 24 loans with mortgage insurance totaling approximately \$8.3 million.

Investment Test

Investment Test Rating: LOW SATISFACTORY⁹

Century Bank had an adequate level of qualified community development investments; however, the bank is rarely in a leadership position and makes few investments that are not routinely provided by private investors. The institution exhibits an adequate responsiveness to credit and community economic development needs through its qualified grants and donations; however, the bank rarely uses innovative or complex investments to support community development initiatives.¹⁰

Century Bank has made two new community development investments since the last CRA

examination in 2007. In 2009 and 2010, the bank purchased two Federal National Mortgage Association Mortgage-Backed Securities. These CRA-targeted securities are tailored to meet the community development needs of a financial institution. The securities purchased were both backed by residential mortgages originated to low- or moderate-income borrowers in the bank’s assessment area.¹¹

The Bank provided a good level of charitable contributions. During the evaluation period, donations totaled \$987,043. The Bank granted \$222,475 in donations in 2009, and \$326,736 in 2010.

Service Test

Service Test Rating: HIGH SATISFACTORY¹²

Century Bank’s retail banking services are essentially accessible to all portions of the assessment area, including low- and moderate-income areas and to individuals of different income levels and businesses of different sizes. Services, including branch hours are convenient and comparable to other institutions and do not vary in a way that inconveniences certain parts of the assessment area.¹³

Description of Service-Delivery Systems

Century Bank’s service delivery systems are accessible to essentially all portions of the assessment area. The bank operates 23 branch locations, all with ATMs, as well as stand-alone ATMs in four additional locations.

The bank also offers a variety of accounts for consumers, including a free statement savings account, passbook savings accounts, and money market accounts. It also offers free business checking accounts, basic business checking accounts, and NOW accounts for businesses.

Bank associates speak over eighteen second languages and are available to assist customers.

¹¹ Ibid.

¹² Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹³ Ibid.

⁹ Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹⁰ Ibid.



This reflects favorably on workplace diversity and customer service support.

Community Development Services

Century Bank provides a relatively high level of community development services, displaying a good responsiveness to the needs of low- and moderate-income individuals in the assessment area. The bank’s services have resulted in a better-educated community and an increased awareness of community needs, and have contributed to improving the communities served. The bank offers services to low- and moderate-income residents, and provides technical assistance to organizations with a community development purpose.¹⁴

The Bank encourages employees to be active members of their communities. Bank staff taught The Money Smart program, an adult education program developed by the FDIC to provide outreach and teach financial literacy to adults outside of the financial mainstream. Bank staff also taught various homebuyer and small business seminars.

The Bank participated in financial seminars on homeownership in conjunction with Housing Families, Inc., the largest operator of affordable housing for homeless and very low-income families in Massachusetts. One seminar was held in 2008, two in 2009, and three in 2010.

In addition to the various seminars that the Bank participated in, the Bank’s staff lends their technical expertise, experience, and judgment by actively participating in local organizations.¹⁵

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
512 Commonwealth Ave. Boston, MA 02215	✓	✓
275 Hanover Street Boston, MA 02113	✓	✓
24 Federal Street Boston, MA 02110	✓	✓
136 State Street Boston, MA 02110	✓	✓
300 Western Avenue Allston, MA 02134	✓	✓
500 Commonwealth Ave. Boston, MA 02215	✓	

FSB: Full Service Branch

Year-Over-Year at a Glance

HMDA And Low-Income Loans

Century Bank’s HMDA lending showed a marked increase in 2008, followed by declines in 2009 and 2010. Low-income applications and originations remain nominal.¹⁶

	2008	2009	2010
HMDA Applications Received	34	25	23
HMDA Loans Originated	23	15	10
Low-Income Applications Received	0	1	2
Low-Income Loans Originated	0	1	1

¹⁴ Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹⁵ Ibid.

¹⁶ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.0%	0.3%	0.5%
Moderate	0.1%	0.6%	1.1%
Middle	0.4%	0.7%	1.0%
Upper	0.2%	0.4%	0.9%
Total	0.1%	0.5%	0.9%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	1.6%	1.0%	2.0%
Moderate	9.9%	1.7%	4.0%
Middle	2.1%	2.9%	3.3%
Upper	1.0%	1.2%	3.1%
Total	2.0%	1.6%	3.1%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for Century Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.



Source Documents

Community Reinvestment Act Performance Evaluation, Federal Deposit Insurance Corporation, June 6, 2011.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Century Bank Annual Report, 2009 and 2010.

FDIC Institution Directory

<http://www2.fdic.gov/idasp/main.asp>

Century Bank website:

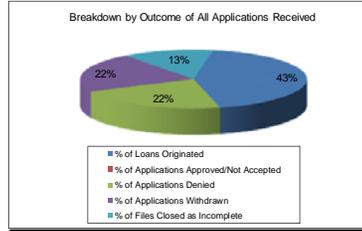
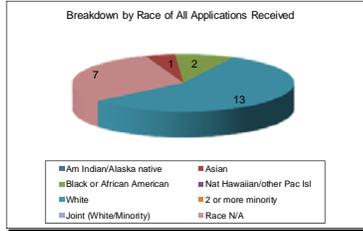
<http://www.century-bank.com/>

Century Bank HMDA Mortgage Information

2010

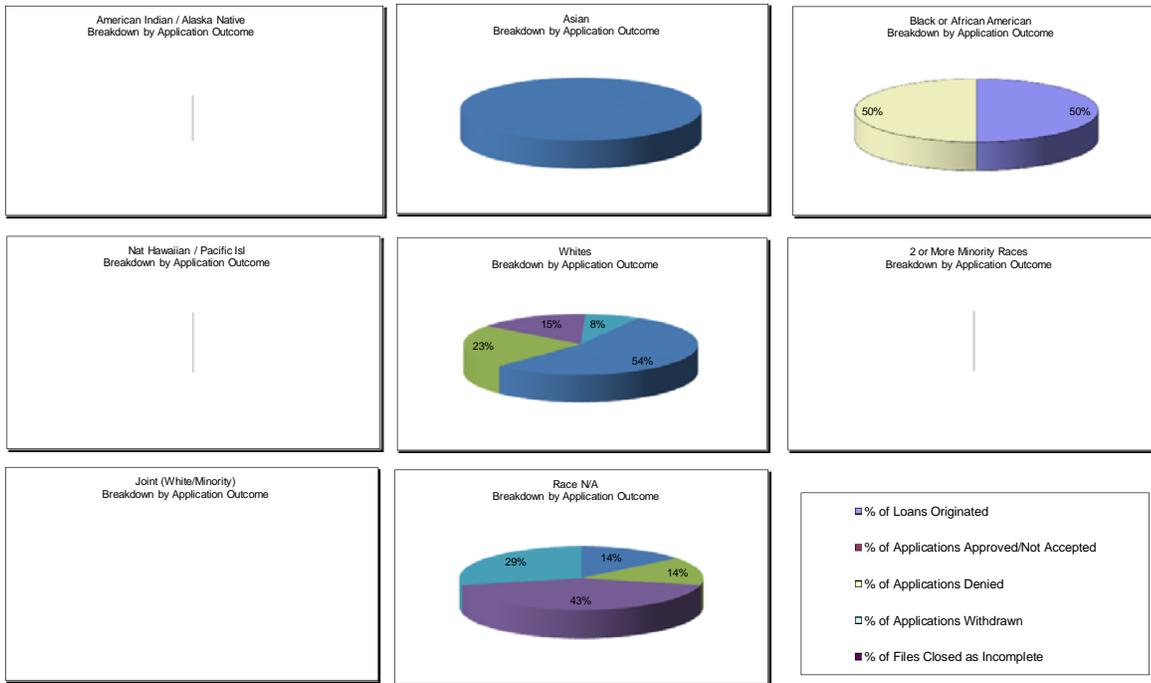
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	1	4%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	2	9%	1	50%	0	0%	1	50%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	13	57%	7	54%	0	0%	3	23%	2	15%	1	8%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	7	30%	1	14%	0	0%	1	14%	3	43%	2	29%
Total	23	100%	10	43%	0	0%	5	22%	5	22%	3	13%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

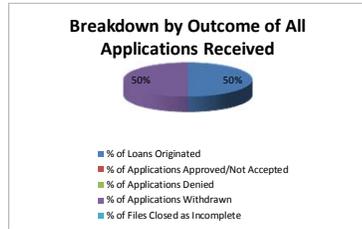
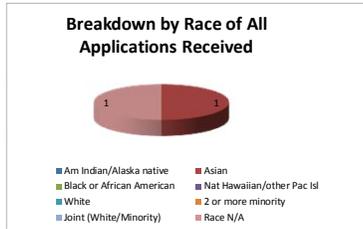


Century Bank Low-Income Mortgage Information

2010

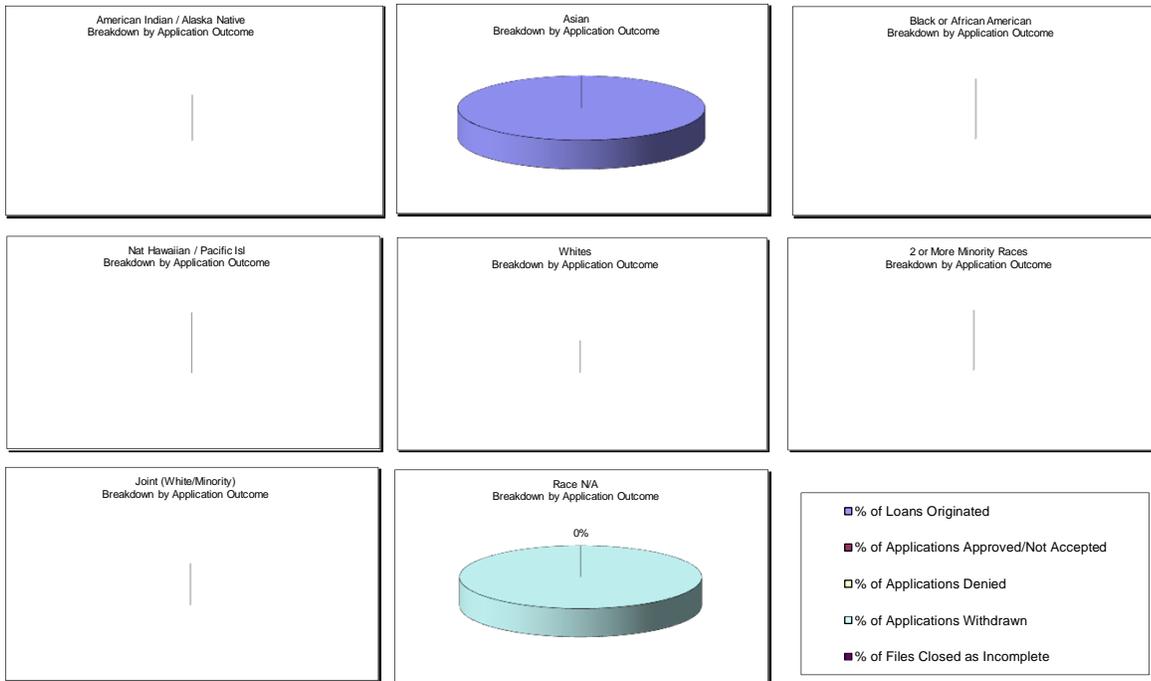
Race	Applications Received	% of Total Applications	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	50%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	1	50%	0	0%	0	0%	0	0%	1	100%	0	0%
Total	2	100%	1	50%	0	0%	0	0%	1	50%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



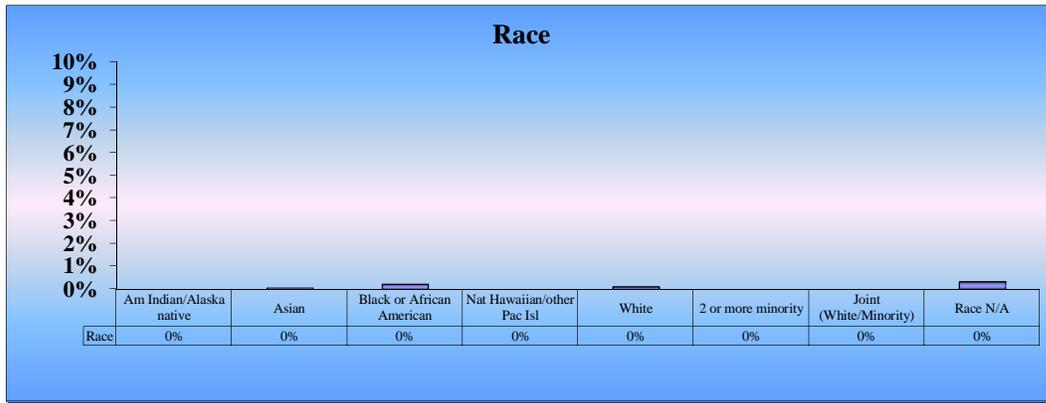
Compared against the MSA Aggregate Total

2010

Century Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	2	0%	1	0%	0	0%	1	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	13	0%	7	0%	0	0%	3	0%	2	0%	1	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	7	0%	1	0%	0	0%	1	0%	3	1%	2	2%
Total	23	0%	10	0%	0	0%	5	0%	5	0%	3	1%

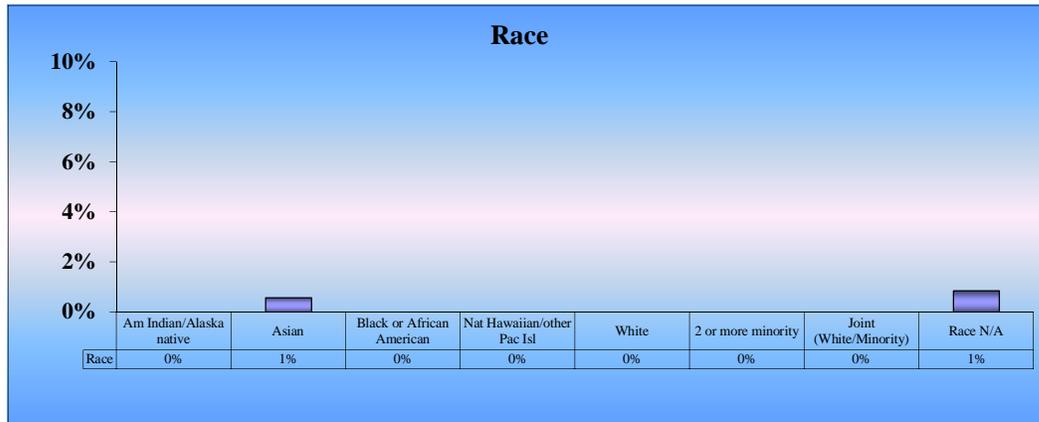
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Century Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	1%	1	1%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	1	1%	0	0%	0	0%	0	0%	1	6%	0	0%
Total	2	0%	1	0%	0	0%	0	0%	1	1%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





RBS Citizens Bank



RBS Citizens Bank Overview

RBS Citizens, N.A.
 One Citizens Plaza
 Providence, RI 02903

Description

Citizens Financial Group, Inc. is a \$132 billion commercial bank holding company headquartered in Providence, RI. It is owned by the Royal Bank of Scotland Group plc.

RBS Citizens Bank is the 12th largest bank in the nation by assets, and the 9th largest by branches. The bank has 1514 branches, 3900 ATMs, and 20,900 employees in 12 states.

In Massachusetts, RBS Citizens Bank has a primary market focus on providing credit, deposit accounts, and services to individuals and small businesses. The bank has 257 branch offices and 798 ATMs in Massachusetts.

In 2004, Citizens acquired Charter One Financial, Inc., the holding company for Charter One Bank (total assets: \$41 billion), the largest acquisition in the bank’s history. In 2007, the bank increased its integration with RBS, its parent company. At the end of the year, it consolidated all its existing bank charters into a single national charter called RBS Citizens, N.A.

No CRA information is reported about RBS Citizens’ Massachusetts activities. The most recent CRA review did not include the bank’s Massachusetts presence. Ratings are provided for reference only.

Principal Officers

CEO, Citizens Financial Group

Ellen Alemany
 One Citizens Plaza
 Providence, RI 02903
 401-456-7096

CFO, Citizens Financial Group

John Fawcett
 One Citizens Plaza
 Providence, RI 02903
 401-456-7096

President, Citizens Bank of Massachusetts

Girard R. Sargent
 28 State Street
 Boston, Massachusetts 02109
 800-852-5577

Employees

Number of Employees	16,270 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches in Massachusetts	257
Branches in Boston MSA	33
Number of ATMs in Massachusetts	798
Free-Standing ATMs in Massachusetts	541

CRA Rating

Rating Agency	OCC
Most Recent Rating	2007
Overall Rating	OUTSTANDING ²
Lending Test Rating	OUTSTANDING
Investment Test Rating	OUTSTANDING
Service Test Rating	OUTSTANDING

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation published by OCC published 2007.



Discussion

Overall rating: **OUTSTANDING**³

The integrated RBS Citizens received a CRA evaluation in December 2007. **The evaluation did not include any Boston information** because the evaluation was conducted immediately following the integration of Citizens Bank of Massachusetts with the national RBS Citizens Bank. **Ratings are included below as a reference only.**

Lending Test

Lending Test Rating: **OUTSTANDING**⁴

General Responsiveness to Credit Needs

The bank's performance under the Lending Test is rated Outstanding. Full-scope reviews display an excellent volume of HMDA and small business lending and an excellent responsiveness to the credit needs of the assessment areas.

Responsiveness to Low- and Moderate-Income Credit Needs

The bank's distribution of loans among borrowers of different income levels was excellent. Borrower distribution for home purchase lending was excellent.

The geographic distribution of home mortgage loans and small loans to businesses reflects good distribution of loans among geographies of different income levels.

The bank displayed an excellent volume of community development lending that was responsive to the credit needs of the assessment areas and had a positive impact on lending test performance.

RBS Citizens offers excellent loan product flexibility, which has a positive impact on lending test performance. The bank offers several loan programs of its own targeted to low-

³ Based on most recent CRA Performance Evaluation by OCC published 2007.

⁴ Based on most recent CRA Performance Evaluation by OCC published 2007.

and moderate-income borrowers, which showed excellent product flexibility.

In 2009, Citizens Bank was among the top twenty retail mortgage originators in the United States among prime customers.⁵ In early 2011, the bank launched its "Citizens for Homes" program, highlighting the bank's commitment to home lending and leadership position in its retail markets.⁶

RBS Citizens has historically been among the top SBA lenders in Massachusetts. It was the number-one SBA lender in 2006 and 2007, and the number-two SBA lender in 2009 and 2010.⁷

Community Development Lending, and Innovative or Flexible Lending Practices

In summer 2004, the bank began the Citizens Housing Bank to provide low-interest loan funds to non-profit developers to create more affordable housing units in New England.⁸ In 2006, the Housing Bank and Charter One Housing Bank community development loan programs offered \$82 million in low-interest loans to non-profit housing developers to create 1,071 affordable-housing units.⁹

In 2009, the bank launched its EnergySense program. The program provides below-market-rate home-improvement loans for customers who want to make their homes more efficient. The program also provides energy assistance grants to homeless shelters and nonprofit organizations that offer home weatherproofing and utility payment assistance to consumers.¹⁰

In 2009, the bank was awarded the Bostonians for Youth award by the Trinity Foundation,

⁵ Citizens Bank Annual Report 2009.

⁶ Citizens Bank Annual Report 2010.

⁷ Small Business Association website.

⁸ Citizens Bank website

⁹ Citizens Bank Annual Report 2008

¹⁰ Citizens Bank Annual Report 2009.



which recognizes the bank as a model for community excellence in Boston.¹¹

Investment Test

Investment Test Rating:
OUTSTANDING¹²

The bank’s performance under the Investment test is rated Outstanding. The bank has an excellent level of investments that reflects excellent responsiveness to the credit and community development needs of the assessment areas.

Community Development Investments and Grants

In 2010, RBS Citizens Bank invested \$18 million in charitable grants and scholarships. More than 2,000 nonprofit organizations benefitted from the bank’s donations, including organizations dedicated to affordable housing and economic development.¹³

The bank’s Champions in Action program assists small, non-profit agencies dedicated to significant social service issues. Each champion receives a \$25,000 grant, volunteer support from Citizens colleagues and vendors, and extensive media exposure. Since introducing the program in 2002, Citizens has awarded \$800,000 to 32 nonprofit programs in Massachusetts.¹⁴

In 2008, the bank implemented its Supergrounds program, an alliance between CFG, city officials and local non- profits to rehabilitate or create playground sites in low- and moderate-income areas. In Massachusetts, the program transformed two vacant parcels of land in Dorchester’s Codman Square into a park for children and residents of all ages.¹⁵

In 2009, the Citizens Bank Charitable Foundation made a \$100,000 grant to the Black Ministerial Alliance’s Boston Food and Fuel Initiative. The grant assisted Boston residents with food aid and heating costs, and supported homeless shelters and emergency food programs. The program is designed to complement Mayor Menino’s Food and Fuel campaign.¹⁶ In 2010, the bank offered a variety of financial support to individuals and businesses affected by flooding in Massachusetts, Rhode Island, and Connecticut.¹⁷

In 2008, the bank received the Boston Business Journal’s Corporate Citizenship Award for its charitable contributions in Massachusetts.¹⁸ The bank also received the Roxbury Comprehensive Community Health Center’s 2009 Corporate Champion Award recognizing the bank’s longtime support of the RCCHC.¹⁹

Service Test

Service Test Rating: **OUTSTANDING**²⁰

Description of Service-Delivery Systems

RBS Citizens Bank’s service delivery systems were readily accessible to geographies and individuals of different income levels in the assessment areas.²¹

The bank offers a variety of alternative delivery systems, which include full service ATMs and telephone banking including loan-by-phone services. On-line banking services included deposit applications, retail loan applications, home equity and mortgage loan applications, small business and commercial loan applications and bill payment services. RBS Citizens also offers an affordable checking account product

¹¹ Citizens Bank website.

¹² Based on most recent CRA Performance Evaluation by OCC published 2007.

¹³ Citizens Bank Annual Report 2009.

¹⁴ Citizens Bank Annual Report 2009; Citizens Bank website.

¹⁵ Citizens Bank Annual Report 2008

¹⁶ Citizens Bank website.

¹⁷ Citizens Bank website.

¹⁸ Citizens Bank website.

¹⁹ Ibid.

²⁰Based on most recent CRA Performance Evaluation by OCC published 2007.

²¹ Ibid.



that would be attractive to low- and moderate-income people.²²

Community Development Services

RBS Citizens Bank supports a wide variety of financial literacy programs. The bank participates in the FDIC’s Money Smart Training Program, which helps individuals outside the financial mainstream enhance their money skills and create positive banking relationships.²³

The Bank has a number of programs to recognize and support employees who volunteer in the community.²⁴

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
28 State St., Boston, MA 02109-1775	✓	✓
53 State St., Boston, MA 02109-2803	✓	✓
40 Summer St., Boston, MA 02110-1003	✓	✓
73 Tremont St., Boston, MA 02108-3916	✓	✓
607 Boylston St., Boston, MA 02116-3604	✓	✓
414 Washington St., Brighton, MA 02135-2735	✓	✓
One Financial Ctr., Boston, MA 02111-2621	✓	✓
426 Boylston St., Boston, MA 02116-3809	✓	✓
315 Hanover St., Boston, MA 02113-1820	✓	✓
77 Franklin St., Boston, MA 02110-1510	✓	✓
6 Ave De Lafayette, Boston, MA 02111-1724	✓	✓
696 Centre St., Jamaica Plain, MA 02130-2516	✓	✓
731 Morrissey Blvd.,	✓	✓

Dorchester, MA 02122-3405 560 Commonwealth Ave., Boston, MA 02215-2501	✓	✓
441 West Broadway, South Boston, MA 02127-2218	✓	✓
60 Newmarket Square, Boston, MA 02118-2619	✓	✓
35 Washington St., Brighton, MA 02135-7401	✓	✓
One Center Plaza, Boston, MA 02108-1887	✓	✓
1628 Tremont St., Boston, MA 02120-1613	✓	✓
435 Brookline Ave., Boston, MA 02215-5410	✓	✓
2000 Beacon St., Brighton, MA 02135-7701	✓	✓
777 South St., Roslindale, MA 02131-1705	✓	✓
60 Everett St., Allston, MA 02134-1918	✓	✓
26 Central Square, East Boston, MA 02128-1911	✓	✓
1355 Washington St., Boston, MA 02118-2140	✓	✓
572 Columbia Rd., Dorchester, MA 02125-2348	✓	✓
569-571 Washington St., Dorchester, MA 02124-2032	✓	✓
217 Adams St., Dorchester, MA 02122-1618	✓	✓
2343 Washington St., Roxbury, MA 02119-3200	✓	✓
1377 Hyde Park Ave., Hyde Park, MA 02136-2752	✓	✓
1100 Massachusetts Ave., Dorchester, MA 02125-1606	✓	✓
1999 Centre St., West Roxbury, MA 02132-3310	✓	✓
673 VFW Pkwy., West Roxbury, MA 02132	✓	✓

FSB: Full Service Branch

²² Ibid.

²³ Citizens Bank website.

²⁴ Ibid.



Year-Over-Year at a Glance

HMDA And Low-Income Loans

RBS Citizens' HMDA lending fell from 2008 to 2009, before increasing slightly in 2010. The bank's ratio of originations to applications has remained consistent, with roughly 64-66% of HMDA applications resulting in an origination.

The bank's low-income lending has increased significantly over the same period, with 42 originations in 2008, 64 in 2009, and 72 in 2010. This represents a 71% increase in low-income lending over the period 2008-2010.²⁵

	2008	2009	2010
HMDA Applications Received	859	819	832
HMDA Loans Originated	577	524	530
Low-Income Applications Received	69	126	132
Low-Income Loans Originated	42	64	72

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.5%	9.6%	6.1%
Moderate	0.6%	7.3%	5.7%
Middle	1.8%	6.7%	5.0%
Upper	2.4%	6.4%	4.4%
Total	0.8%	7.4%	5.3%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	28.5%	22.2%	8.2%
Moderate	76.0%	16.2%	8.9%
Middle	6.5%	21.8%	6.9%
Upper	14.3%	17.5%	8.2%
Total	17.3%	19.4%	8.0%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for RBS Citizens Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

²⁵ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency; December 31, 2007.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

FDIC Information Directory:
<http://www2.fdic.gov/idasp/main.asp>

U.S. Small Business Association website:
<http://www.sba.gov>

Citizens Financial Group Annual Report 2009 and 2010.

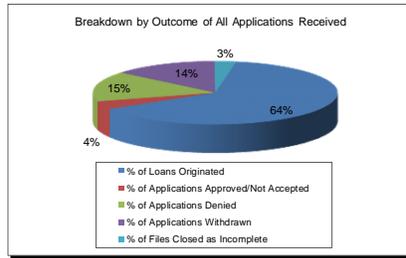
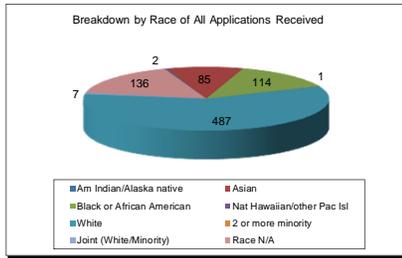
Citizens Bank website:
<http://www.citizensbank.com/>

RBSCitizens Bank HMDA Mortgage Information

2010

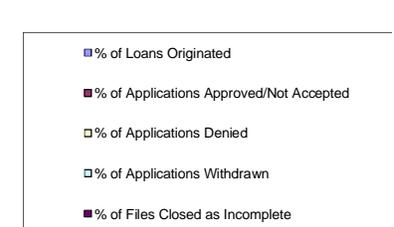
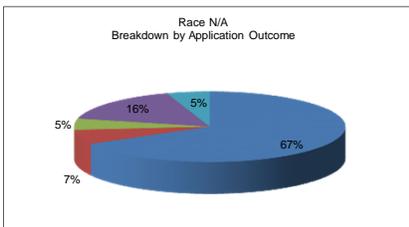
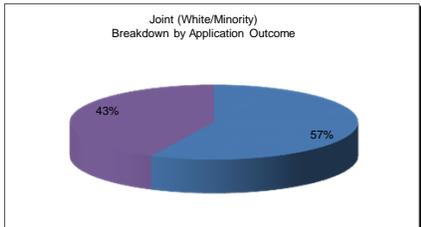
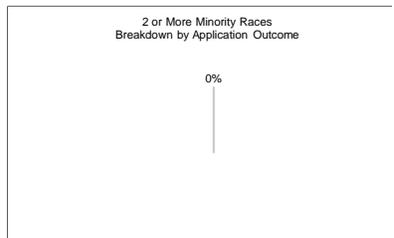
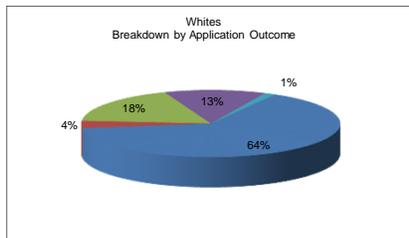
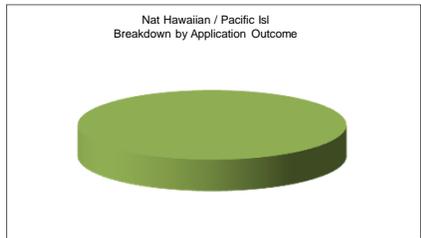
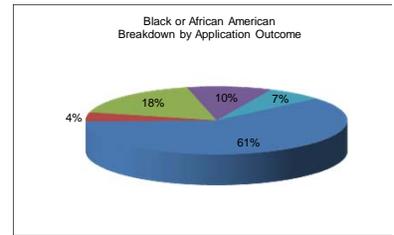
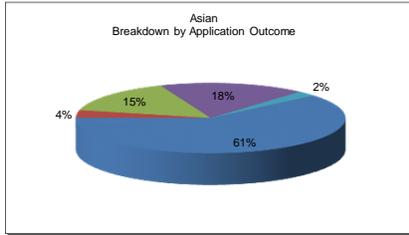
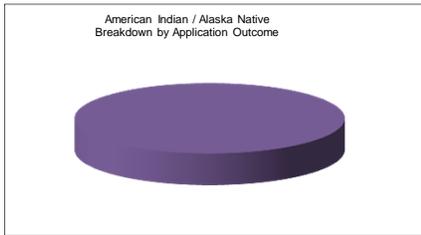
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	2	0%	0	0%	0	0%	0	0%	2	100%	0	0%
Asian	85	10%	52	61%	3	4%	13	15%	15	18%	2	2%
Black or African American	114	14%	69	61%	5	4%	20	18%	12	11%	8	7%
Nat Hawaiian/other Pac Isl	1	0%	0	0%	0	0%	1	100%	0	0%	0	0%
White	487	59%	314	64%	17	3%	87	18%	62	13%	7	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	7	1%	4	57%	0	0%	0	0%	3	43%	0	0%
Race N/A	136	16%	91	67%	9	7%	7	5%	22	16%	7	5%
Total	832	100%	530	64%	34	4%	128	15%	116	14%	24	3%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

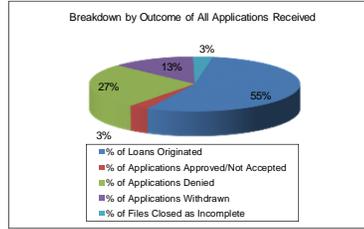
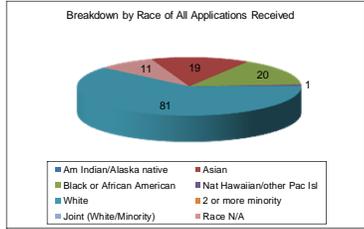


RBS Citizens Bank Low-Income Mortgage Information

2010

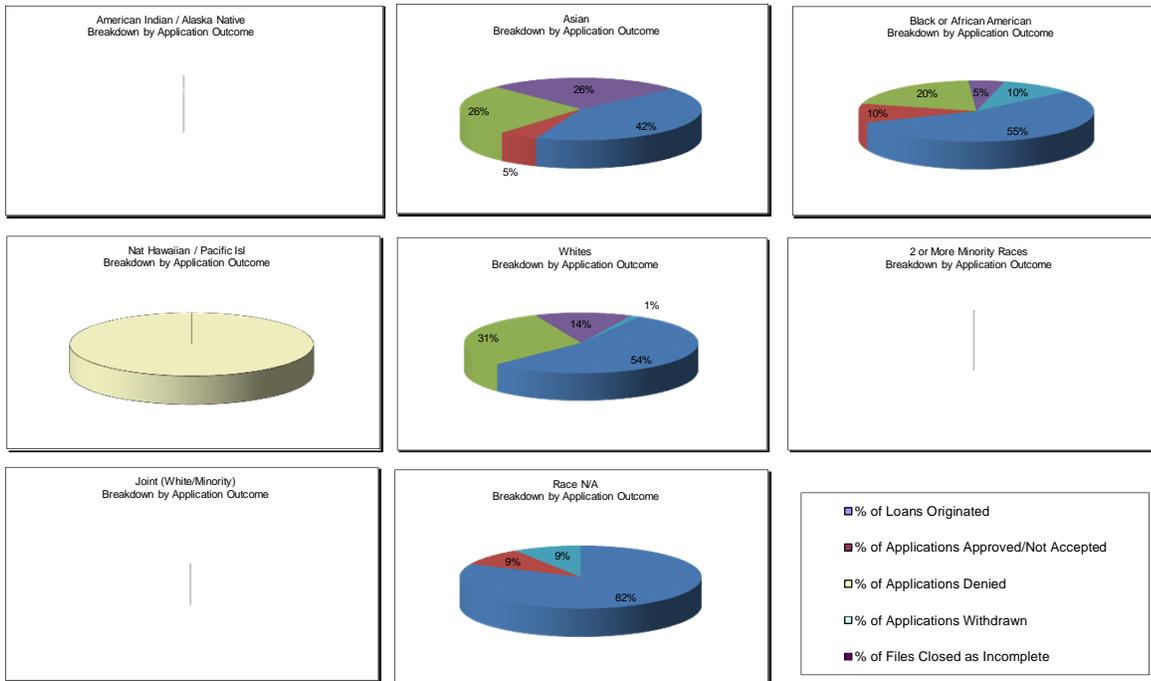
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	19	14%	8	42%	1	5%	5	26%	5	26%	0	0%
Black or African American	20	15%	11	55%	2	10%	4	20%	1	5%	2	10%
Nat Hawaiian/other Pac Isl	1	1%	0	0%	0	0%	1	100%	0	0%	0	0%
White	81	61%	44	54%	0	0%	25	31%	11	14%	1	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	11	8%	9	82%	1	9%	0	0%	0	0%	1	9%
Total	132	100%	72	55%	4	3%	35	27%	17	13%	4	3%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

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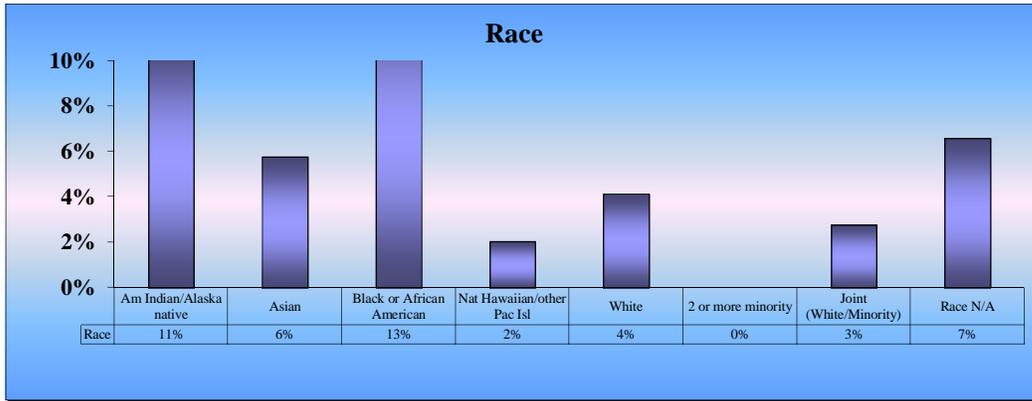
Compared against the MSA Aggregate Total

2010

RBS Citizens Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	2	11%	0	0%	0	0%	0	0%	2	40%	0	0%
Asian	85	6%	52	5%	3	5%	13	6%	15	12%	2	5%
Black or African American	114	13%	69	15%	5	13%	20	10%	12	13%	8	19%
Nat Hawaiian/other Pac Isl	1	2%	0	0%	0	0%	1	8%	0	0%	0	0%
White	487	4%	314	4%	17	3%	87	7%	62	5%	7	3%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	7	3%	4	2%	0	0%	0	0%	3	11%	0	0%
Race N/A	136	7%	91	7%	9	8%	7	3%	22	9%	7	8%
Total	832	5%	530	5%	34	4%	128	6%	116	7%	24	6%

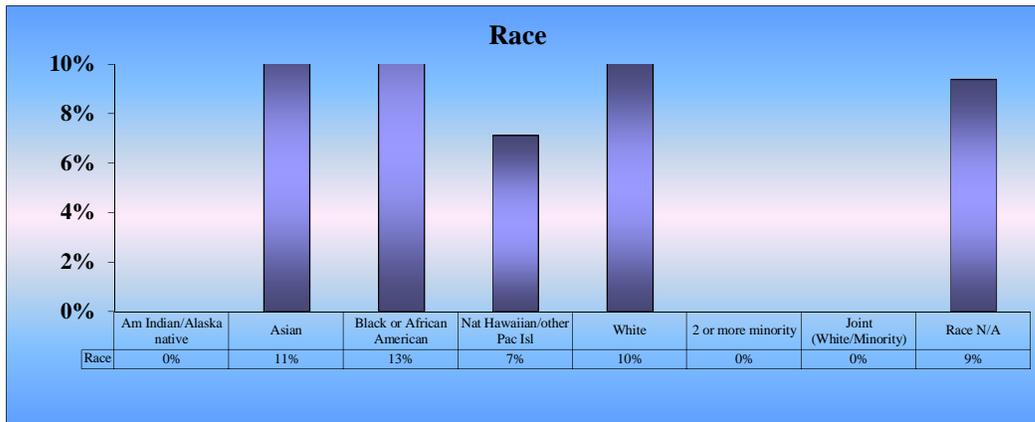
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Citizens Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	19	11%	8	9%	1	14%	5	10%	5	31%	0	0%
Black or African American	20	13%	11	16%	2	67%	4	8%	1	6%	2	20%
Nat Hawaiian/other Pac Isl	1	7%	0	0%	0	0%	1	11%	0	0%	0	0%
White	81	10%	44	9%	0	0%	25	13%	11	13%	1	9%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	11	9%	9	16%	1	25%	0	0%	0	0%	1	100%
Total	132	11%	72	10%	4	9%	35	10%	17	13%	4	14%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Commonwealth Cooperative Bank



**Commonwealth Cooperative Bank
Overview**

Commonwealth Cooperative Bank
1172 River Street
Hyde Park, MA 02136

Description

Commonwealth Cooperative Bank is a \$185 million state-chartered co-operative bank with principal offices in Boston, Massachusetts. The bank is the result of a 2008 merger with Hyde Park Cooperative Bank.

The combined institution is primarily a residential lender and offers fixed and adjustable rate mortgage loans to purchase, refinance, and construct one-to-four family dwellings. Eighty-one percent of the bank's loans are secured by one-to-four family dwellings. Commonwealth Cooperative Bank participates in first-time homebuyer programs and a Soft Second program. In 2010, Commonwealth Cooperative operated three branches in Boston.

The CRA assessment for 2008 refers to the pre-merger Hyde Park Co-operative Bank. The combined bank has not yet received a CRA evaluation.

Principal Officers

CEO & Chairman

Norman B. Williamson
1172 River Street
Hyde Park, MA 02136
617-364-6000

President & COO

Carol R. McClintock
1172 River Street
Hyde Park, MA 02136
617-364-6000

CFO & Compliance Officer

Robert A. Nelson
1172 River Street
Hyde Park, MA 02136
617-364-6000

Employees

Number of Employees	28 ¹
Number of Employees in Massachusetts	28
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	3
Branches Within Boston MSA	3
Number of ATMs	3
Number of Free-Standing ATMs	0

CRA Rating

Rating Agency	Office of Thrift Supervision
Most Recent Rating	2008
Overall Rating	SATISFACTORY²
Lending Test Rating	NOT RATED
Investment Test Rating	NOT RATED
Service Test Rating	NOT RATED

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by OTS published 2008.



Discussion

The CRA assessment for 2008 refers to the pre-merger Hyde Park Co-operative Bank.

There has been no CRA evaluation since Hyde Park Co-operative Bank's merger with Commonwealth Cooperative Bank. **Ratings are provided for reference only.**

Overall rating: SATISFACTORY³

Hyde Park Co-op Bank demonstrated a satisfactory record of meeting the credit needs of the assessment area. Overall loan volume decreased, but the distribution of loans granted to low- and moderate-income borrowers surpassed the level achieved by the aggregate.

Lending in low-income geographies was very limited, while lending in moderate-income geographies was commensurate with the aggregate's performance. The bank's loan-to-deposit ratio was reasonable.⁴

Lending Test

Lending Test Rating: NOT RATED

The bank's average loan-to-deposit ratio for the assessment period was 87 percent. This is an improvement from the 60 percent average at the last evaluation, but still lags behind comparable area institutions. Based on the institution's size and competitive factors, the loan-to-deposit meets the standard for satisfactory performance.⁵

The post-merger Commonwealth Cooperative Bank had a 2010 loan-to-deposit ratio of 1.04, a significant improvement.⁶

General Responsiveness to Credit Needs

The bank's overall level of lending represents a reasonable response to community credit needs.

³ Based on most recent CRA Performance Evaluation by OTS published 20042008.

⁴ Ibid.

⁵ Ibid.

⁶ FDIC Institution Directory.

Responsiveness to Low- and Moderate-Income Credit Needs

During the assessment period, the bank's level of lending to low- and moderate-income borrowers exceeded the aggregate level. The bank was less successful in its penetration of low- and moderate-income geographies.⁷

Innovative or Flexible Lending Practices

During the review period, Hyde Park Bank began offering two new loan programs, MassAdvantage and My Community, both targeted to low- and moderate-income first-time homebuyers.

The bank also participates in the Basic Banking for Massachusetts program. This program was developed by the Massachusetts Community & Banking Council in 1994 as a voluntary program to expand access to bank products and services for those with modest incomes.

Investment Test

Investment Test Rating: NOT RATED

Service Test

Service Test Rating: NOT RATED

Branch Information:

Branch locations in the Boston MSA:

Location	ATM	FSB
733 Centre Street Jamaica Plain, MA	✓	✓
1172 River Street Hyde Park, MA	✓	✓
Two Center Plaza Boston, MA	✓	✓

FSB: Full Service Branch

Additional Information

The bank established the Hyde Park Cooperative Charitable Foundation to raise money for worthwhile charitable, civic, educational and

⁷ Based on most recent CRA Performance Evaluation by OTS published 20042008.



social projects within the local community. The Foundation, which still operates under the same name, has made donations to a wide range of community organizations, including Mass Affordable Housing, the Hyde Park Civic Association, and many others.⁸

Year-Over-Year at a Glance

HMDA And Low-Income Loans

Since 2007, Commonwealth Cooperative Bank has consistently originated over 75% of HMDA loan applications, and nearly 100% of low-income loan applications. The bank's overall lending level has been low but consistent over this period.⁹

	2008	2009	2010
HMDA Applications Received	17	25	17
HMDA Loans Originated	16	23	13
Low-Income Applications Received	2	6	8
Low-Income Loans Originated	2	6	7

Small Business Loans

No 2010 HMDA-reportable small business loan data was available for Commonwealth Cooperative Bank.¹⁰

Loan Information By Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

⁸ Commonwealth Cooperative Bank website.

⁹ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

¹⁰ Ibid.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of Thrift Supervision; April 10, 2008.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

FDIC Institution Directory:

<http://www2.fdic.gov/idasp>

Massachusetts Division of Banks, Summary Information for State Chartered Banks and Credit Unions:

<http://db.state.ma.us/dob/in-choose.asp>

Commonwealth Cooperative Bank website:

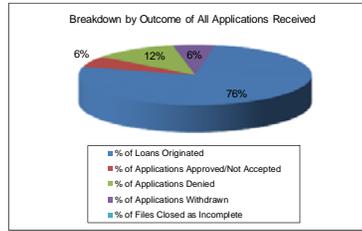
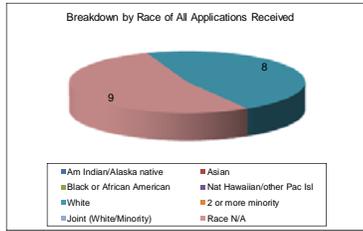
<http://www.hydeparkcooperative.com/>

Commonwealth Cooperative HMDA Mortgage Information

2010

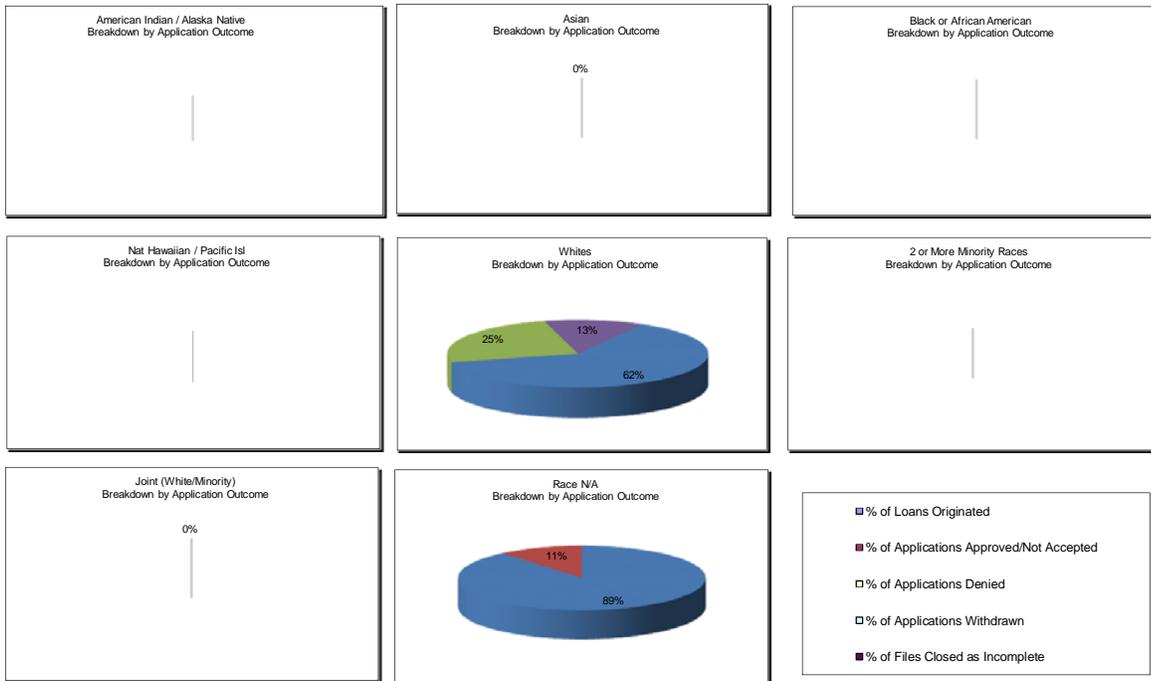
Race	Applications Received	% of Total Applications	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	8	47%	5	63%	0	0%	2	25%	1	13%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	9	53%	8	89%	1	11%	0	0%	0	0%	0	0%
Total	17	100%	13	76%	1	6%	2	12%	1	6%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

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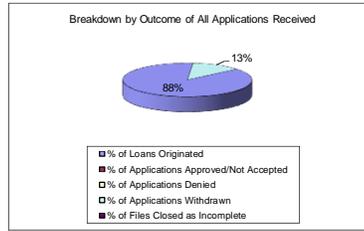
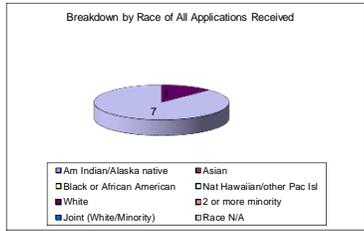


Commonwealth Cooperative Low-Income Mortgage Information

2010

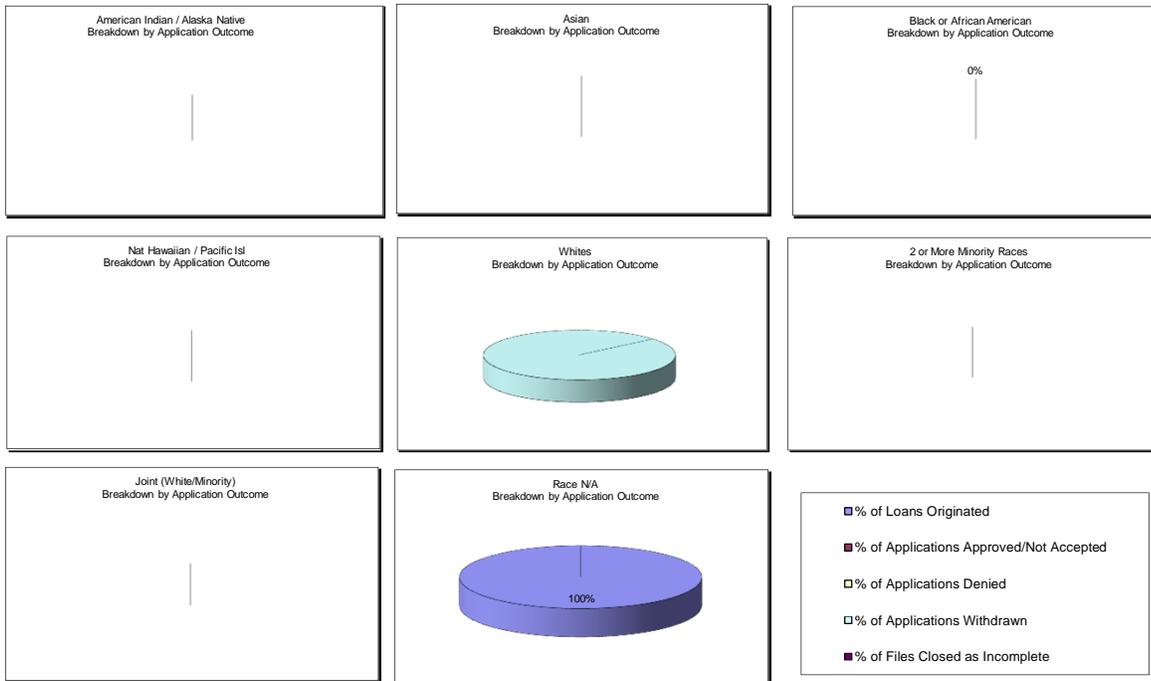
Race	Applications Received	% of Total Applications	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	1	13%	0	0%	0	0%	0	0%	1	100%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	7	88%	7	100%	0	0%	0	0%	0	0%	0	0%
Total	8	100%	7	88%	0	0%	0	0%	1	13%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



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East Boston Savings Bank



East Boston Savings Bank Overview

East Boston Savings Bank
 10 Meridian Street
 East Boston, MA 02128

Description

East Boston Savings Bank (EBSB) is a \$1.81 billion Massachusetts-chartered stock savings bank with its main office in East Boston. EBSB is a subsidiary of Meridian Interstate Bancorp, a bank holding company.

In January 2010, Meridian Interstate Bancorp, the holding company for East Boston Savings Bank, completed its acquisition of Mt. Washington Cooperative Bank, a \$496 million, mutually owned community bank headquartered in South Boston. Mt. Washington Bank now operates as a division of EBSB. The combined bank has 24 full-service branch offices throughout the Boston metropolitan area.

The bank’s primary focus is the origination of residential mortgage loans. Real estate loans constitute 64 percent of the institution’s loan portfolio, with 27 percent secured by 1-4 family residential loans, and 24 percent secured by commercial real estate. The institution’s balance sheet is primarily weighted within the loan portfolio, as total loans represent 65.6 percent of total assets.

There has been no CRA evaluation of the post-merger bank. The latest CRA evaluation, by the FDIC, was conducted in 2009 and refers only to the pre-merger East Boston Savings Bank.

Principal Officers

Chairman & CEO

Richard J. Gavegnano
 10 Meridian Street
 East Boston, MA 02128
 978-977-2211

President and COO

Deborah J. Jackson
 10 Meridian Street
 East Boston, MA 02128
 978-977-8570

Treasurer & CFO

Mark L. Abbate
 10 Meridian Street
 East Boston, MA 02128
 978-977-2220

Employees

Number of Employees	327 ¹
Number of Employees in Massachusetts	327
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	24
Branches Within Boston MSA	11
Number of ATMs	28
Number of Free-Standing ATMs	4

CRA Rating

Rating Agency	FDIC
Most Recent Rating	2009
Overall Rating	SATISFACTORY ²
Lending Test Rating	HIGH SATISFACTORY
Investment Test Rating	SATISFACTORY
Service Test Rating	OUTSTANDING

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by FDIC published 2009.



Discussion

The CRA assessment for 2008 refers to the pre-merger East Boston Savings Bank.

There has been no CRA evaluation since East Boston Savings Bank's acquisition of Mt. Washington Bank. **Ratings are provided for reference only.**

Overall rating: SATISFACTORY³

Lending Test

Lending Test Rating: HIGH SATISFACTORY⁴

Overall, the Bank's home mortgage and small business lending activity reflects good responsiveness to assessment area credit needs, considering the size of the institution, loan portfolio composition, and high level of competition within its assessment area.

The distribution of the Bank's home mortgage and small business loans reflects excellent penetration among different income levels. This distribution demonstrates the Bank's strong commitment to, and success in, extending credit to borrowers of all income levels, especially those of low- and moderate-income.

Responsiveness to Low- and Moderate-Income Credit Needs

The bank's distribution of borrowers reflects excellent penetration among retail customers of different income levels. The bank's lending to both low-income and moderate-income borrowers far exceeded the aggregate during the review period.

The geographic distribution of the Bank's home mortgage lending also reflects good dispersion throughout the assessment area.⁵

Leadership in Community-Development Loans

East Boston Savings Bank made a low level of community development loans within its assessment area, given its asset size and financial resources. Over the evaluation period (November 2005 through January 2009), the Bank made three community development loans totaling approximately \$14 million, with only one loan (for \$3.8 million) made inside the assessment area.

Innovative and Flexible Lending Practices

The bank made extensive use of innovative and flexible lending programs during the period reviewed. The breadth of programs offered by the bank demonstrates a commitment to helping provide sustainable homeownership options to low- and moderate-income borrowers, with emphasis on those residing within the Bank's assessment area. The bank made 249 loans totaling \$18.3 million through these innovative and flexible programs during the evaluation period.

EBSB has developed a number of in-house programs to address specific credit needs. The bank's Credit Builder product is designed to help individuals with no credit or poor credit establish a good credit record. During the evaluation period, the Bank originated 171 loans totaling \$222,000 under this program.

The bank offers three in-house products for first-time homebuyers. In addition, the bank also offers various products designed by the Massachusetts Housing Financing Agency (MassHousing), an independent public authority charged with increasing affordable rental and for-sale housing in Massachusetts. EBSB participates in the Agency's MassAdvantage program, which offers a 30-year fixed rate mortgage at below-market interest rates, and in the Home Saver Foreclosure Prevention Program. This program was designed to assist homeowners with modest incomes who are burdened by an unaffordable loan.⁶

³ Based on most recent CRA Performance Evaluation by FDIC published 2009.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.



Investment Test

Investment Test Rating: SATISFACTORY⁷

East Boston Savings Bank has an adequate level of qualified equity investments, and a good level of qualified charitable donations. The bank rarely uses innovative or complex investments.

The Bank invested in Single Family Housing Notes issued by MassHousing. This series of notes were issued to finance the MHFA Home Ownership Program, designed to address housing needs of low- and moderate-income families. The Bank is currently holding just over \$3 million in this qualified equity investment. The qualified investment represents 1 percent of the Bank's total investment portfolio.

While the Bank's qualified equity investments are not particularly innovative, they do support the need for affordable housing throughout Massachusetts.⁸

The Bank made a significant level of qualified charitable donations to help address a wide variety of community development needs within the designated assessment area.

The majority of the Bank's qualified donations are made through the Meridian Charitable Foundation, but some are distributed directly by the Bank. In 2010, the Foundation distributed a total of \$146,000 to organizations whose overall missions meet the definition of community development, or to specific programs that have community development purposes.

As part of the bank's 2010 merger with Mt. Washington Bank, Meridian Interstate Bancorp will make a \$250,000 donation to the Mt. Washington Charitable Foundation. Organizations that have benefited from the Mt. Washington Charitable Foundation's contributions include:

- The Codman Square and The South Boston Neighborhood Development Corporations
- Codman Square Community Health Center

- South Boston Neighborhood House
- South Boston Community Health Center
- Project Place
- Dorchester YMCA

Service Test

Service Test Rating: OUTSTANDING⁹

East Boston Savings Bank is doing an excellent job of meeting both the retail banking and community development service needs of the assessment area. The bank's branches, some with 24-hour drive-up ATM locations, are located throughout the assessment area and are easily accessible and convenient. The services and products offered are comparable to or better than those of local or similarly sized competitors.

Several bank officers are actively involved with local area community organizations working to meet community development service needs.¹⁰

Description of Service-Delivery Systems

The bank's delivery systems are readily accessible to all portions of the assessment area. Changes in branch locations have improved the accessibility of its delivery systems. Bilingual employees are available at all branch locations.

Overall, the Bank's services and business hours do not vary in a way that would inconvenience any portion of the assessment area.

Community Development Services

EBSB is a leader in providing community development services. The Bank helped develop and participated in numerous educational seminars targeting low- and moderate-income borrowers and first-time homebuyers. The Bank's officers and staff members also helped address community needs through their involvement in various community organizations.

The Bank devotes time and resources to assisting with community development initiatives within its assessment area by having representatives

⁷ Based on most recent CRA Performance Evaluation by FDIC published 2009.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.



serve in leadership roles in community-based organizations. The organizations in which Bank officers are involved include:

- Alliance for Economic Inclusion
- Citizens for Adequate Housing
- East Boston Economic Development Council
- East Boston Main Streets
- East Boston Social Centers
- East Boston YMCA
- Federal Home Loan Bank Boston Affordable Housing Program

During the examination period, the bank devoted many hours to planning and participating in numerous educational seminars on the various aspects of home-buying. Each month, representatives from the Bank participate in home-buying seminars with a variety of community groups and realtors. Several of the seminars were either conducted in foreign languages or had staff members available to assist with language barriers encountered during the seminars. Seminars also focused on reverse mortgages and foreclosure prevention.

The bank has also demonstrated leadership in promoting financial literacy. In 2004, East Boston Savings Bank initiated collaboration between the FDIC and local banks to offer the FDIC Money Smart Program at North Shore Community College. This program is still offered today. During 2008, Bank officers taught the Money Smart Program at a women’s family shelter known as Citizens for Adequate Housing.

489 Gallivan Boulevard☐	✓	✓
Dorchester, MA 02124		
305 Talbot Avenue☐	✓	✓
Dorchester, MA 02124		
515 Centre Street☐	✓	✓
Jamaica Plain, MA 02130		
1985 Centre Street	✓	✓
West Roxbury, MA 02132		
1134 Washington Street☐	✓	✓
Boston, MA 02118		
294 Bennington Street	✓	
East Boston, MA 02128		
Caritas Carney Hospital	✓	
Dorchester, MA 02124		
FSB: Full Service Branch		

Branch Information:

Branch locations in the Boston MSA:

Location	ATM	FSB
10 Meridian Street East Boston, MA 02128	✓	✓
1 Bennington Street East Boston, MA 02128	✓	✓
856 Bennington Street East Boston, MA 02128	✓	✓
430 West Broadway☐ South Boston, MA 02127	✓	✓
708 East Broadway☐ South Boston, MA 02127	✓	✓
501 Southampton Street☐ South Boston, MA 02127	✓	✓



Year-Over-Year at a Glance

HMDA And Low-Income Loans

East Boston Savings Bank’s HMDA lending increased nearly five-fold from 2009 to 2010, following the bank’s merger with Mount Washington Bank.

The bank’s low-income lending has remained low even post-merger. The bank made no low-income HMDA loans in 2008, three in 2009, and 4 in 2010.¹¹

	2008	2009	2010
HMDA Applications Received	78	69	285
HMDA Loans Originated	51	42	207
Low-Income Applications Received	5	4	12
Low-Income Loans Originated	0	3	4

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.0%	0.2%	0.0%
Moderate	0.0%	0.4%	0.8%
Middle	0.1%	0.2%	0.3%
Upper	0.0%	0.0%	0.0%
Total	0.0%	0.2%	0.3%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	1.1%	0.7%	0.1%
Moderate	8.8%	2.5%	6.9%
Middle	1.6%	0.6%	2.2%
Upper	0.0%	0.0%	0.0%
Total	1.3%	0.9%	2.3%

Please refer to the addendum [City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans](#) for details on small business loans. The small business loan activity for East Boston Savings Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum [City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract](#) for details on loan information by census tract.

¹¹ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation for East Boston Savings Bank, Federal Deposit Insurance Corporation; January 20, 2009.

Community Reinvestment Act Performance Evaluation for Mount Washington Bank, Federal Deposit Insurance Corporation; November 19, 2007.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Massachusetts Division of Banks, Summary Information for State Chartered Banks and Credit Unions:

<http://db.state.ma.us/dob/in-choose.asp>

FDIC Institution Directory:

<http://www2.fdic.gov/idasp>

Meridian Interstate Bancorp, Inc., 2010 Annual Report.

East Boston Savings Bank website:

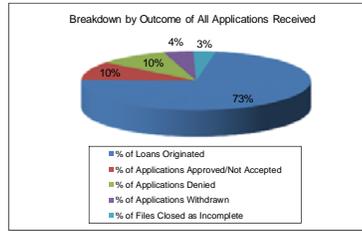
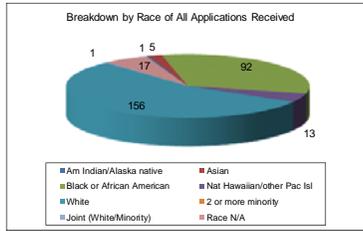
<http://www.ebsb.com/>

East Boston Savings Bank HMDA Mortgage Information

2010

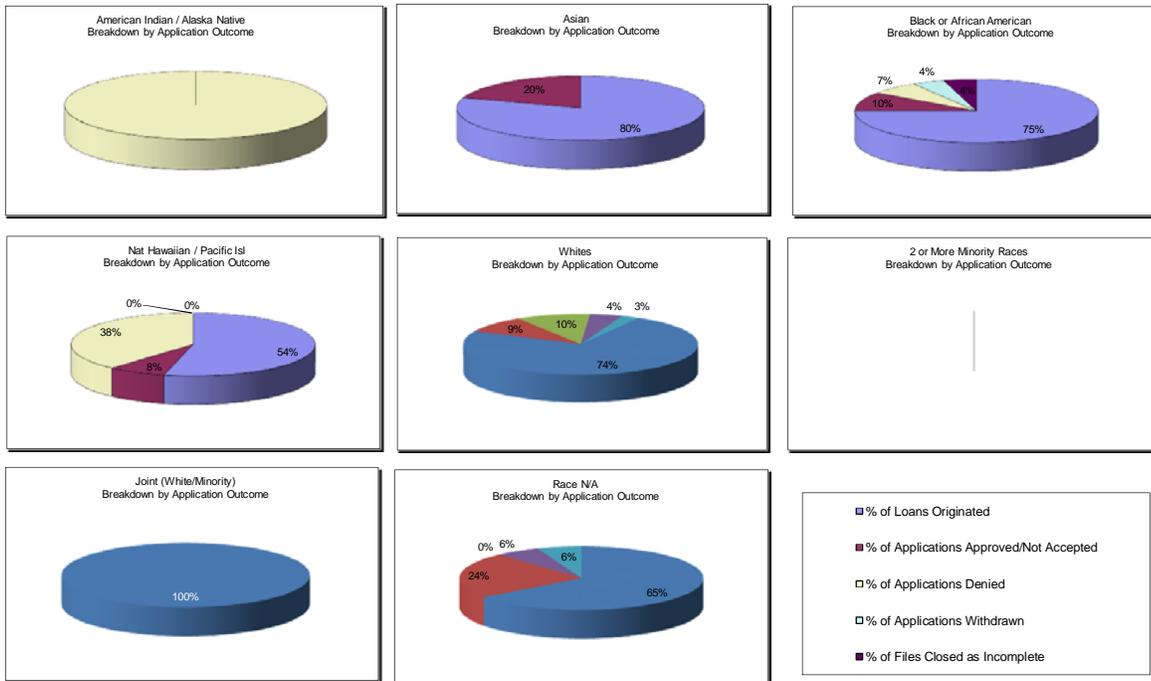
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	1	0%	0	0%	0	0%	1	100%	0	0%	0
Asian	5	2%	4	80%	1	20%	0	0%	0	0%	0	0%
Black or African American	92	32%	69	75%	9	10%	6	7%	4	4%	4	4%
Nat Hawaiian/other Pac Isl	13	5%	7	54%	1	8%	5	38%	0	0%	0	0%
White	156	55%	115	74%	14	9%	16	10%	7	4%	4	3%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%
Race N/A	17	6%	11	65%	4	24%	0	0%	1	6%	1	6%
Total	285	100%	207	73%	29	10%	28	10%	12	4%	9	3%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

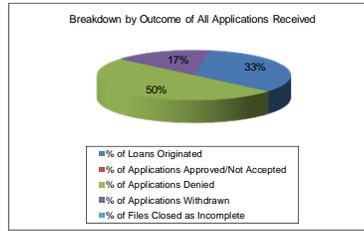
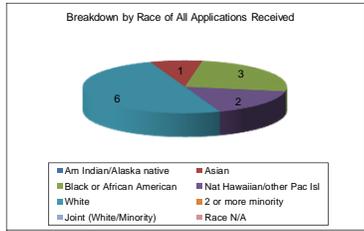


East Boston Savings Bank Low-Income Mortgage Information

2010

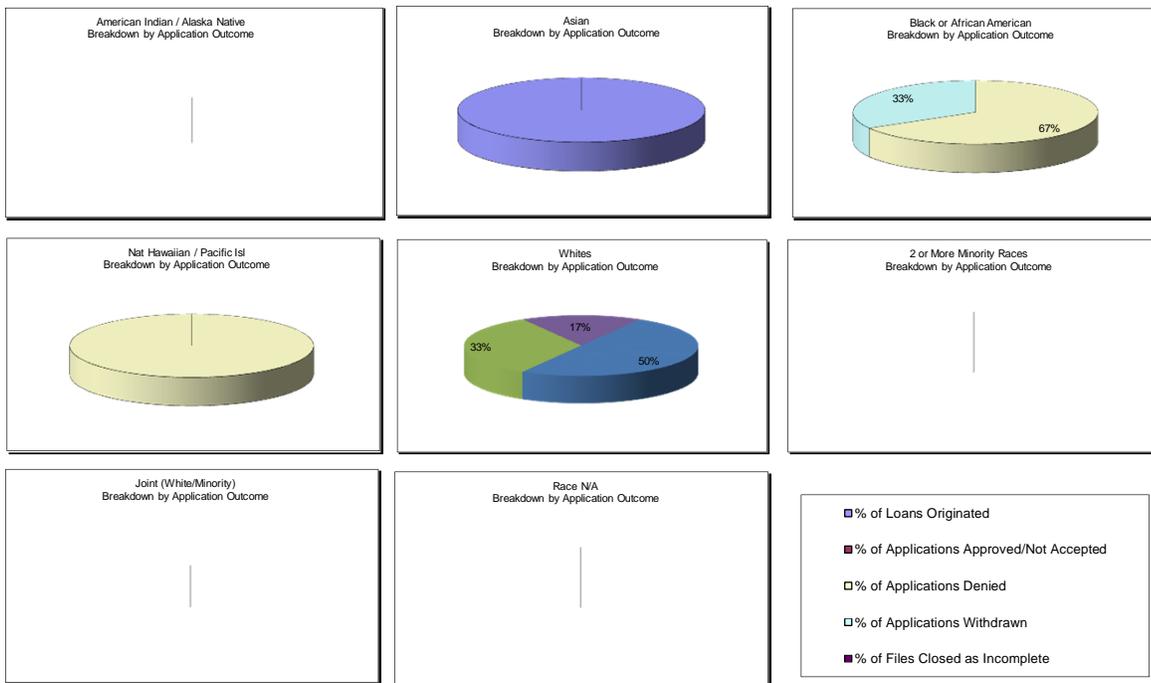
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	1	8%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	3	25%	0	0%	0	0%	2	67%	1	33%	0	0%
Nat Hawaiian/other Pac Isl	2	17%	0	0%	0	0%	2	100%	0	0%	0	0%
White	6	50%	3	50%	0	0%	2	33%	1	17%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	12	100%	4	33%	0	0%	6	50%	2	17%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



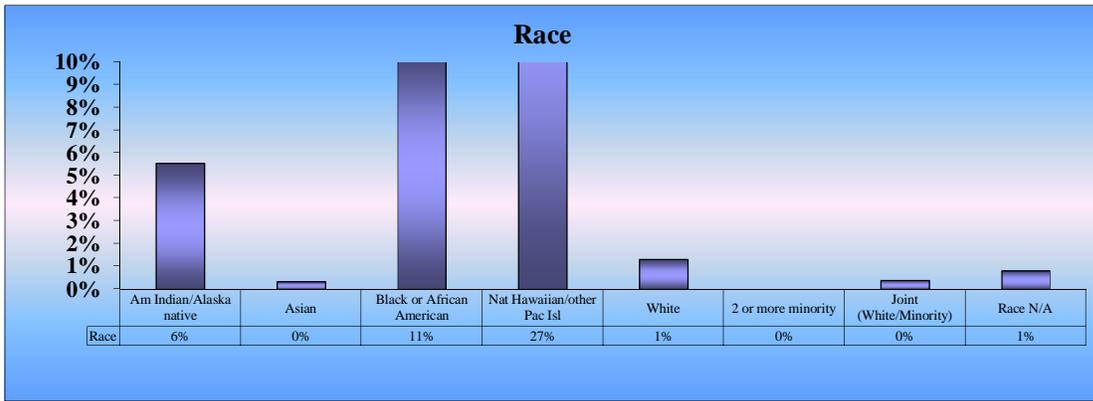
Compared against the MSA Aggregate Total

2010

East Boston Savings Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	1	6%	0	0%	0	0%	1	11%	0	0%	0	0%
Asian	5	0%	4	0%	1	2%	0	0%	0	0%	0	0%
Black or African American	92	11%	69	15%	9	23%	6	3%	4	4%	4	9%
Nat Hawaiian/other Pac Isl	13	27%	7	25%	1	100%	5	38%	0	0%	0	0%
White	156	1%	115	1%	14	3%	16	1%	7	1%	4	2%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	0%	1	1%	0	0%	0	0%	0	0%	0	0%
Race N/A	17	1%	11	1%	4	4%	0	0%	1	0%	1	1%
Total	285	2%	207	2%	29	4%	28	1%	12	1%	9	2%

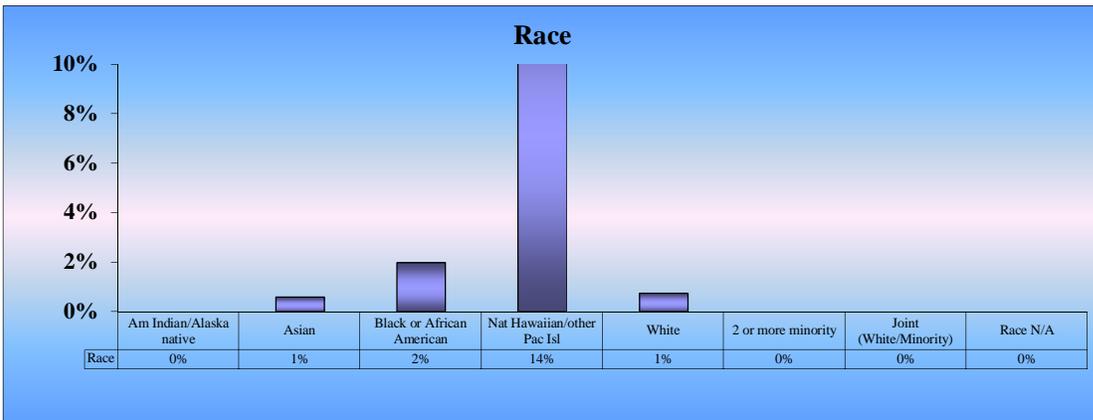
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



East Boston Savings Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	1%	1	1%	0	0%	0	0%	0	0%	0	0%
Black or African American	3	2%	0	0%	0	0%	2	4%	1	6%	0	0%
Nat Hawaiian/other Pac Isl	2	14%	0	0%	0	0%	2	22%	0	0%	0	0%
White	6	1%	3	1%	0	0%	2	1%	1	1%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	12	1%	4	1%	0	0%	6	2%	2	1%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Eastern Bank



Eastern Bank Overview

Eastern Bank & Trust
265 Franklin Street
Boston, MA 02110

Description

Eastern Bank, founded in 1818, is the fourth-largest full-service consumer bank in Greater Boston. Eastern Bank is a wholly owned subsidiary of Eastern Bank Corporation, a mutual bank holding company. With \$6.59 billion in assets, Eastern Bank is headquartered in Boston and maintains regional offices in Middleborough and Lynn.

Eastern Bank engages in diverse lines of business, including mortgage banking, small business banking, corporate and asset-based lending, consumer banking and finance, capital markets, and investment management. Loans represent the majority of total assets (50.8%); 42.7% of the bank’s loan portfolio are commercial loans, while 39.1% are home mortgage loans.

In June 2010, Eastern Bank Corporation announced its acquisition of Wainwright Bank & Trust, in a transaction valued at \$163 million. The combined institution will have \$7.6 billion in assets and over 90 retail offices. The banks’ operations will be fully merged in spring 2011.

Principal Officers

Chairman & CEO
Richard E. Holbrook
265 Franklin Street
Boston, MA 02110
617-897-1008

President
Robert F. Rivers
265 Franklin Street
Boston, MA 02110
617-897-1008

CFO
Charles M. Johnston
265 Franklin Street
Boston, MA 02110
617-897-1008

Chief Compliance Officer
Cynthia C. Merkle
265 Franklin Street
Boston, MA 02110
617-897-1008

Employees	
Number of Employees	1520 ¹
Number of Employees in Massachusetts	1520
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches	
Number of Branches - Total	82
Branches within Boston MSA	4
Number of ATMs	87
Number of Free-Standing ATMs	5

CRA Rating	
Rating Agency	FDIC
Most Recent Rating	2011
Overall Rating	OUTSTANDING²
Lending Test Rating	HIGH SATISFACTORY
Investment Test Rating	OUTSTANDING
Service Test Rating	OUTSTANDING

¹ FDIC Institution Directory

² Based on most recent CRA Performance Evaluation by FDIC published 2011.



Discussion

Overall rating: OUTSTANDING³

Lending Test

Lending Test Rating:
HIGH SATISFACTORY⁴

Eastern Bank’s lending activity reflected good responsiveness to the credit needs of the assessment area, considering the size of the bank, loan portfolio composition, and the significant level of competition within the assessment area.

General Responsiveness to Credit Needs

Overall, Eastern Bank maintained a reasonable loan-to-deposit ratio, considering the size and financial condition of the bank, merger and acquisition activity, loan volume sold on the secondary market, and assessment area credit needs. When compared to three similarly situated institutions, the bank’s current net loan-to-deposit ratio of 62.8% was, on average, 12% higher than the averages of the other institutions.⁵

The bank’s home mortgage lending activity reflects good responsiveness to assessment area credit needs. In 2009, Eastern Bank ranked 19th in market share for total home mortgage loans inside its assessment area, out of 780 competing financial institutions. For both years, those financial institutions ranking higher were primarily large mortgage companies and large national or regional banks.⁶

This bank’s level of small business lending reflects excellent responsiveness to assessment area credit needs. In 2009, Eastern Bank’s small business loan activity accounted for 9.0% of all small business lending in the assessment area, the third-highest market share. In both 2009 and 2010, Eastern Bank was ranked as the number-

one Small Business Administration lender for Massachusetts. According to the SBA, the bank’s Massachusetts loans created 414 jobs and helped retain 1,392 jobs. Eastern Bank was also the top New England SBA lender in 2010.⁷

Responsiveness to Low- and Moderate-Income Credit Needs

Eastern Bank’s record of extending home mortgage loans to individuals of varying income levels, particularly those of low- and moderate-income is excellent

The bank extended 10.3% of its home mortgage loans to low-income borrowers in 2009. This performance is less than the percentage of low-income families in the assessment area (20.7%), but is nearly twice the aggregate lending performance of 5.7%. This performance is considered especially strong given the high cost of housing in the assessment area.⁸

According to 2009 market share reports, Eastern Bank ranked 8th in lending to low-income individuals, which reflects the bank’s commitment to meeting the credit needs of low-income individuals. This market rank was achieved, in part, through the use of innovative and flexible loan programs. The percentage of home mortgages extended to low-income borrowers dropped to 7.2% in 2010, however, lower than the bank’s performance in both 2008 and 2009. Nonetheless, the Bank’s performance of lending to low-income borrowers is considered excellent.

The Bank extended 23.8 percent of home mortgage loans by number and 17.9 percent by dollar volume to moderate-income borrowers in 2009. This performance compares favorably against both the percentage of moderate-income families in the assessment area (17.7%), and the aggregate lending data (18.4%).⁹

³ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁴ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁵ Ibid.

⁶ Ibid.

⁷ The Boston Globe, *Eastern Bank is top SBA lender in Mass.*, 13 October 2010

⁸ Based on most recent CRA Performance Evaluation by FDIC published 2011.

⁹ Ibid.



Eastern Bank’s penetration of home mortgage loans throughout the assessment area, particularly in low- and moderate-income census tracts, is adequate, considering assessment area demographics, competition, and credit needs. The bank made 1.1 percent of all home mortgage loans within low income- census tracts in 2010, which is less than the percentage of owner-occupied housing units.¹⁰

Leadership in Community-Development Loans

Eastern Bank continues to demonstrate its leadership in community development lending. Between June 2007 and March 2011, the Bank made 78 community development loans totaling \$68.2 million. These loans have significantly impacted the communities to which they are targeted, and are responsive to assessment area credit needs. Overall, the bank’s record of making community development loans is excellent.¹¹

In 2010, Eastern Bank extended 24 community development loans totaling \$24.4 million, reflecting a 23% increase in dollar volume compared to 2009. The bank’s 2010 community development loans include:

- A \$1 million loan to a non-profit agency that provides health and human services to low- and moderate-income individuals and families.
- A \$4 million line of credit to a non-profit organization in Quincy that provides comprehensive rehabilitation programs and transportation services to adolescents and adults with various disabilities, particularly those of low- and moderate-income.
- A \$3.2 million loan to construct a new facility for an agency that provides community, health, and human services to low- and moderate-income individuals.

Innovative & Flexible Lending Practices

Eastern Bank made extensive use of innovative and flexible lending programs that were responsive to assessment area credit needs. In

¹⁰ Ibid.

¹¹ Based on most recent CRA Performance Evaluation by FDIC published 2011.

2010, the bank made 1,017 loans through its innovative or flexible lending programs—a significant increase over 2008 (583 loans) and 2009 (946 loans).¹²

The significant increase in innovative/flexible lending between 2008 and 2010 demonstrated Eastern Bank’s established record of using innovative and flexible lending programs to serve low- and moderate-income borrowers and geographies, as well as the area’s small businesses. Overall, Eastern Bank made excellent use of innovative or flexible lending programs throughout the evaluation period.¹³

The innovative or flexible residential loan programs that the bank participates in include:

- **Massachusetts Housing Finance Agency programs** (124 loans totaling \$22.9 million during the assessment period)
- **Massachusetts Housing Partnership programs** (372 first and second mortgages totaling \$34.5 million)
- **Federal Housing Administration programs** (90 FHA home mortgages totaling \$22.0 million)
- **Federal National Mortgage Association** (8 loans totaling \$1.8 million)
- **Homeowner Options for Massachusetts Elders Reverse Mortgage Program** (7 loans totaling \$1.9 million)

Investment Test

Investment Test Rating: **OUTSTANDING**¹⁴

Eastern Bank’s level of qualified investments and donations is excellent; however, investments are limited in complexity and are routinely provided by other investors. The bank’s qualified investments have community development purposes that benefit communities throughout the bank’s entire assessment area.¹⁵

¹² Ibid.

¹³ Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹⁴ Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹⁵ Ibid.



The amount of the Bank’s total qualified investments, commitments, and grants is \$42.4 million. This total includes \$16.1 million in new investments since mid-2007, \$21.0 million in prior period investments still held by the bank, and \$5.3 million in qualified donations. The bank’s qualified investments totaling \$37,108,971 represented approximately 6.1 percent of Tier 1 capital as of March 31, 2011. This volume of investments and donations demonstrates Eastern Bank’s commitment to investing in community development initiatives.¹⁶

The vast majority of the bank’s grants are made through the Eastern Bank Charitable Foundation. The Foundation was established for the purpose of supporting community, charitable, educational, and other benevolent organizations. Eastern Bank contributes 10 percent of annual pre-tax net operating income to the Charitable Foundation.

Eastern Bank Charitable Foundation extended over \$10 million in total grants between April 2007 and March 2011, which further demonstrates the bank’s commitment to supporting non-profit organizations with diverse missions and goals.¹⁷

Service Test

Service Test Rating: OUTSTANDING¹⁸

Eastern Bank’s retail banking services are excellent. The bank’s branch locations and record of opening and closing branches reflects a good penetration in low- and moderate-income geographies. The bank offers a variety of alternative retail banking services, including services targeted toward low- and moderate-income individuals.¹⁹

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Based on most recent CRA Performance Evaluation by FDIC published 2011.

¹⁹ Ibid.

Description of Service-Delivery Systems

Eastern Bank operates 82 full-service branch offices and 1 limited service branch. Since the previous CRA evaluation in 2007, Eastern Bank opened four new branches, including one in the West Roxbury neighborhood of Boston. Eastern Bank’s acquisition of Wainwright Bank will add 26 full-service branches throughout the Greater Boston area in 2011.

Branch hours are convenient and comparable to other institutions, and vary according to location based on the needs of each individual community. In addition to branch banking, Eastern Bank a number of alternative delivery systems that enhance customer accessibility to services regardless of geographic location.

Eastern Bank is a participant in the Massachusetts Community and Banking Council's Basic Banking Program. This program encourages financial institutions to offer low-cost checking and savings accounts for people with modest incomes. Eastern Bank meets the Basic Banking for Massachusetts guidelines for checking accounts. The bank offers a free checking account with no fees or minimum balance requirements.

Community Development Services

Eastern Bank has taken a leadership role in providing community development services throughout its assessment area by involvement in numerous financial education events and seminars targeted toward the needs of low- and moderate-income individuals. Bank employees of all levels have contributed technical and financial expertise to affordable housing, economic development, and community organizations throughout the assessment area.²⁰

Eastern Bank is a designated member of the Money Smart Alliance, which was established to recognize the efforts of people and companies who share the FDIC’s commitment to actively build personal financial skills of adults and teenagers. The bank invested in a training program for employees utilizing the FDIC’s Money Smart program.

²⁰ Based on most recent CRA Performance Evaluation by FDIC published 2011.



In June 2010, the bank sponsored a Money Smart “Train-the-Trainer” session, which included training by the FDIC. The purpose was to provide guidance to various non-profit agencies on how to deliver quality financial education. In 2010 alone, bank employees conducted ten classes for various community-based organizations and schools.²¹

During the CRA evaluation period, the bank was involved in 85 homebuyer seminars, 55 financial literacy training events, and 13 foreclosure prevention seminars. These events were offered through community organizations throughout Massachusetts.

Educational outreach at this level indicates the Bank’s dedication to raising the degree of financial literacy in the communities it serves.²²

Eastern Bank’s directors, officers, and employees at various levels actively sought opportunities for participation in, and were actively involved with, several community development organizations throughout the assessment area as representatives of the bank. These organizations include:

- Massachusetts Housing Investment Corporation
- Mass. Mortgage Bankers Charitable Foundation
- Massachusetts Community and Banking Council
- South Shore Workforce Investment Board
- Massachusetts Housing Partnership
- North Shore Action Programs
- Jamaica Plain Neighborhood Development Corp.

Bank personnel lent their technical and financial expertise, experience, and judgment to these organizations and many others.

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
470 West Broadway South Boston, MA 02127	✓	✓
265 Franklin Street Boston, MA 02110-3113	✓	✓
246 Border Street East Boston, MA 02128	✓	✓
2029 Centre Street West Roxbury, MA 02132	✓	✓

FSB: Full Service Branch

Year-Over-Year at a Glance

HMDA And Low-Income Loans

Eastern Bank’s HMDA lending fell 14% from 2008 to 2009, despite a small rise in HMDA mortgage applications received, before falling a further 37% in 2010. HMDA applications received also fell by 33% between 2009 and 2010.

Low-income applications increased from 2008 to 2009, keeping pace with a rise in low-income applications, before falling again in 2010 to just 18 applications and 11 originations.²³

	2008	2009	2010
HMDA Applications Received	193	205	137
HMDA Loans Originated	153	132	83
Low-Income Applications Received	18	44	18
Low-Income Loans Originated	13	24	11

²¹ Ibid.

²² Ibid.

²³ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.1%	2.3%	2.3%
Moderate	0.1%	0.5%	1.6%
Middle	0.3%	0.9%	1.4%
Upper	0.5%	1.5%	1.8%
Total	0.1%	1.2%	1.7%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	14.0%	13.3%	14.4%
Moderate	23.2%	3.5%	6.1%
Middle	3.3%	6.1%	6.7%
Upper	5.7%	6.3%	7.4%
Total	7.3%	7.6%	8.4%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for Eastern Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.



Source Documents

Community Reinvestment Act Performance Evaluation, Federal Deposit Insurance Corporation; June 20, 2011.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Eastern Bank Annual Report, 2009 and 2010.

Massachusetts Division of Banks, Summary Information for State Chartered Banks and Credit Unions:

<http://db.state.ma.us/dob/in-choose.asp>

FDIC Institution Directory

<http://www2.fdic.gov/idasp/main.asp>

Eastern Bank website:

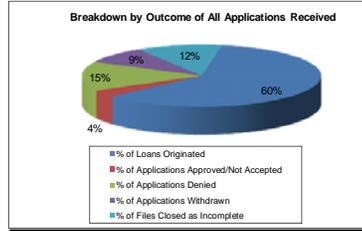
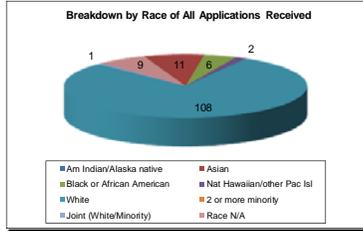
<http://www.easternbank.com/>

Eastern Bank HMDA Mortgage Information

2010

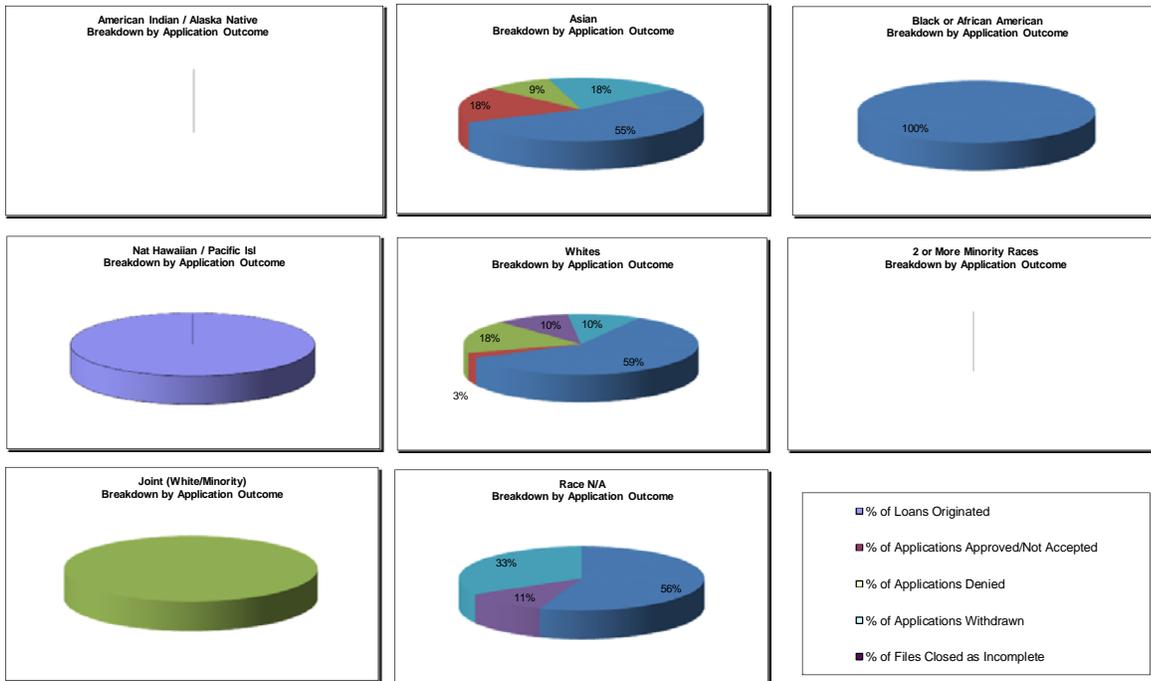
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	11	8%	6	55%	2	18%	1	9%	0	0%	2	18%
Black or African American	6	4%	6	100%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	2	1%	2	100%	0	0%	0	0%	0	0%	0	0%
White	108	79%	64	59%	3	3%	19	18%	11	10%	11	10%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	1%	0	0%	0	0%	1	100%	0	0%	0	0%
Race N/A	9	7%	5	56%	0	0%	0	0%	1	11%	3	33%
Total	137	100%	83	61%	5	4%	21	15%	12	9%	16	12%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

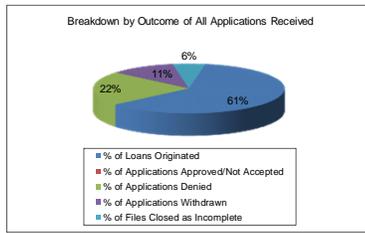
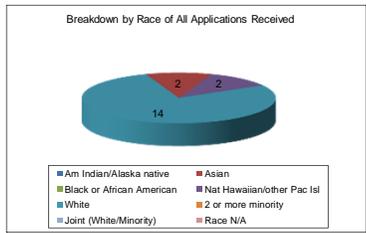


Eastern Bank Low-Income Mortgage Information

2010

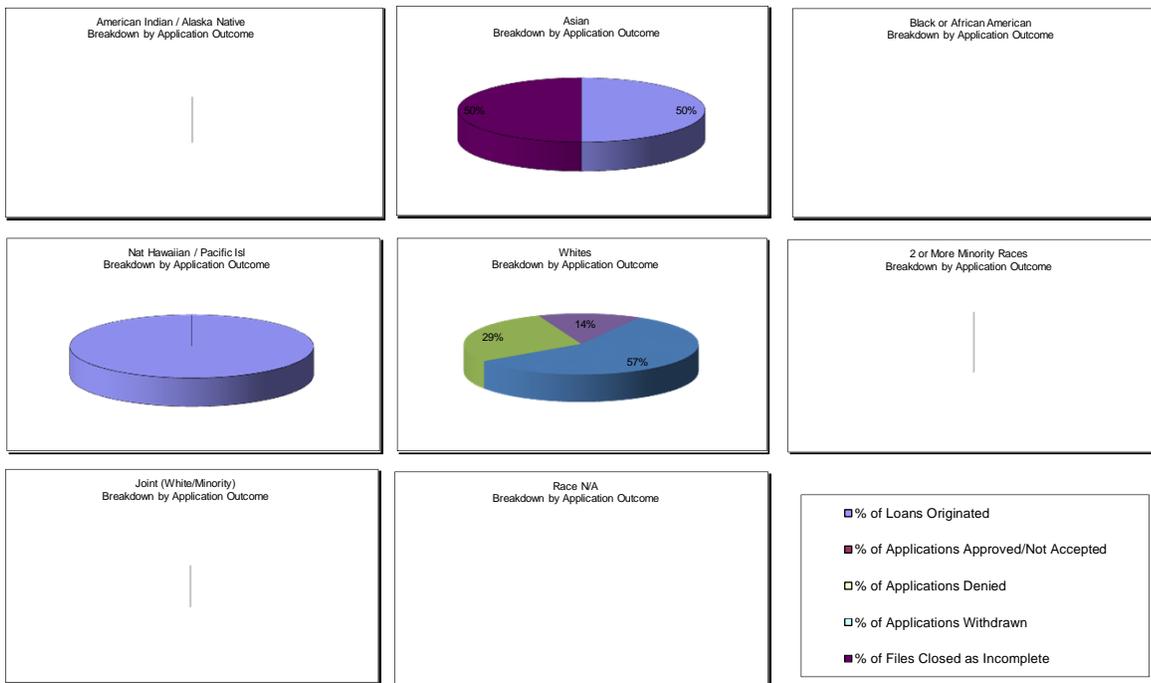
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	2	11%	1	50%	0	0%	0	0%	0	0%	1	50%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	2	11%	2	100%	0	0%	0	0%	0	0%	0	0%
White	14	78%	8	57%	0	0%	4	29%	2	14%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	18	100%	11	61%	0	0%	4	22%	2	11%	1	6%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

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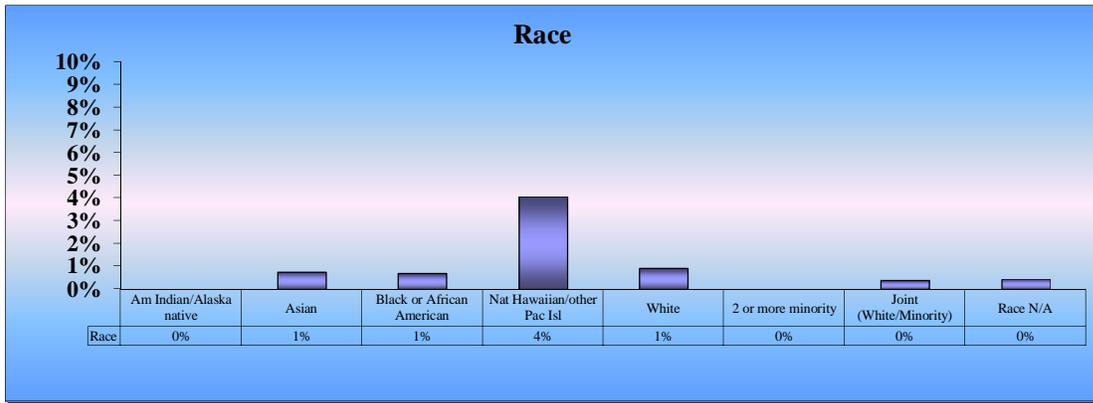
Compared against the MSA Aggregate Total

2010

Eastern Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	11	1%	6	1%	2	3%	1	0%	0	0%	2	5%
Black or African American	6	1%	6	1%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	2	4%	2	7%	0	0%	0	0%	0	0%	0	0%
White	108	1%	64	1%	3	1%	19	1%	11	1%	11	5%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	0%	0	0%	0	0%	1	3%	0	0%	0	0%
Race N/A	9	0%	5	0%	0	0%	0	0%	1	0%	3	4%
Total	137	1%	83	1%	5	1%	21	1%	12	1%	16	4%

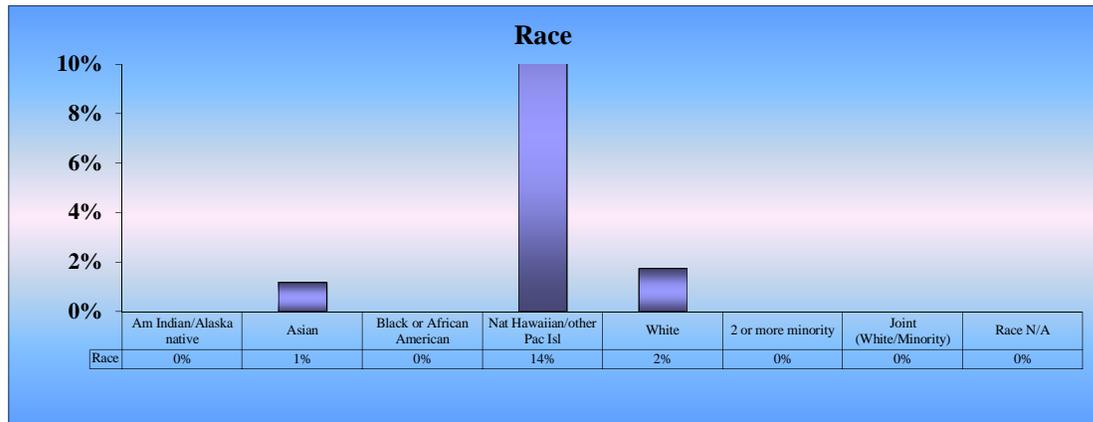
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Eastern Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	2	1%	1	1%	0	0%	0	0%	0	0%	1	17%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	2	14%	2	100%	0	0%	0	0%	0	0%	0	0%
White	14	2%	8	2%	0	0%	4	2%	2	2%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	18	1%	11	2%	0	0%	4	1%	2	1%	1	4%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





First Trade Union Bank



First Trade Union Bank Overview

First Trade Union Bank
 One Harbor Street, Suite 201
 Boston, MA 02110

Description

First Trade Union Bank (FTUB) is an interstate federal stock savings bank headquartered in Boston, Massachusetts, with total assets of \$613 million. The New England Carpenters Pension Fund, the New England Carpenters Guaranteed Annuity Fund, and the Empire State Carpenters Pension Fund collectively hold 100 percent of the Bank’s stock.

A significant portion of the bank’s deposits and much of its lending are derived from its relationship with the controlling carpenters unions and trade union members. Over 24 percent of total deposits are held by the controlling carpenter trade unions—a concentration exclusive of accounts held by individual trade union members.

In recent years, the bank has scaled back its operations; management used this as a strategic opportunity to better serve the credit needs of customers in the Massachusetts and New York assessment areas. The bank’s assets declined 12% between 2007 and mid-2011, while deposits and total loans declined 15% and 27%, respectively, during the same time period.

FTUB’s deposit base is concentrated in Massachusetts, which has more than 95% of total deposits. Residential real estate loans make up 38% of the bank’s lending by dollar amount.¹

Principal Officers

President & CEO

Michael A. Butler
 One Harbor Street, Suite 201
 Boston, MA 02210
 617-482-4000

CFO

Paul S. Musgrove
 One Harbor Street, Suite 201
 Boston, MA 02210
 617-482-4000

Chief Banking Officer

Paul Bolger
 One Harbor Street, Suite 201
 Boston, MA 02210
 617-482-4000

Employees

Number of Employees	74 ²
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	4
Branches in Boston MSA	3
Number of ATMs	8
Number of Free-Standing ATMs	4

CRA Rating

Rating Agency	OCC
Most Recent Rating	2011
Overall Rating	SATISFACTORY³
Overall rating, Massachusetts	SATISFACTORY
Lending Test Rating, Massachusetts	OUTSTANDING
Community Development Test Rating, Massachusetts	SATISFACTORY

² FDIC Institution Directory.

³ Based on most recent CRA Performance Evaluation by OCC published 2011.

¹ Based on most recent CRA Performance Evaluation by OCC published 2011.



Discussion

First Trade Union Bank’s CRA performance was evaluated under the OCC Intermediate Small Savings Association Examination Procedures. This evaluation procedure includes a lending test and a community development test. The discussion below focuses on the ratings specifically pertaining to the bank’s Massachusetts activities.

Since the previous CRA examination, FTUB has improved its overall examination ratings from “Needs to Improve” to “Satisfactory,” both for its total performance rating, and for its Massachusetts rating.

**Overall rating, Massachusetts:
SATISFACTORY⁴**

Lending Test

**Lending Test Rating, Massachusetts:
OUTSTANDING⁵**

First Trade Union Bank’s performance under the lending test in Massachusetts is rated “Outstanding.” The bank’s distribution of loans reflects excellent penetration among individuals of different income levels and businesses of different sizes. The bank’s geographic distribution of loans reflects excellent dispersion in the low- and moderate-income census tracts, among both individuals and businesses.⁶

General Responsiveness to Credit Needs

FTUB’s level of lending, as reflected in its average net loan-to-deposit ratio, is more than reasonable given the size and financial condition of the institution, as well as the assessment areas’ credit needs and relevant competitive factors.

The bank's net loan-to-deposit ratio, which includes purchased loans, averaged 92% during the period of the latest CRA review. FTUB's

loan-to-deposit ratio is slightly higher than the national peer bank median quarterly average of 88% over the same period.⁷

Responsiveness to Low- and Moderate-Income Credit Needs

FTUB’s distribution of loans in the Boston MSA reflects excellent penetration among individuals of different income levels and businesses of different sizes. In Boston, the percentage of home purchase loans FTUB originated to low- and moderate-income families is greater than the percentage of low and moderate-income families residing in Boston.⁸

The bank's performance is considered outstanding given the lack of affordable housing and high competition in the Boston MSA. While the national downturn in the economy and real estate is being seen in the area, median housing prices remain high relative to median incomes. Lack of affordable housing limits lending opportunities.

FTUB’s geographic distribution of loans also reflects excellent penetration among individuals and among businesses in the low and moderate-income census tracts.

The bank’s geographic distribution of home loans in the Boston MSA reflects excellent dispersion in low- and moderate-income census tracts. The proportion home purchase loans originated in low-income census tracts significantly exceeds the percentage of owner occupied housing in the low-income tracts. The same is true for the proportion of FTUB's lending for home purchases, refinances, and home improvement loans in moderate-income tracts in Boston.

Given the low percentage of owner-occupied housing in Boston’s low-income geographies, FTUB’s overall dispersion is considered excellent.⁹

⁴ Based on most recent CRA Performance Evaluation by OCC published 2011.

⁵ Ibid.

⁶ Ibid.

⁷ Based on most recent CRA Performance Evaluation by OCC published 2011.

⁸ Ibid.

⁹ Ibid.



Community Development Test

Community Development Test Rating, Massachusetts: SATISFACTORY¹⁰

First Trade Union Bank's performance under the community development test in Massachusetts is rated Satisfactory. FTUB's community development performance demonstrates adequate responsiveness to community development needs through community development loans, investments, and services.¹¹

Community Development Lending

The bank's level of community development lending is Satisfactory. FTUB extended one community development loan for \$600,000 during the evaluation period in Massachusetts. The loan funded the construction of a building to house qualified low-income community businesses and a nonprofit organization that seeks to increase affordable homeownership across Massachusetts.¹²

During the majority of the CRA evaluation period, the bank's ability to make commercial loans was impacted by the terms of an agreement with its regulatory agency. This agreement precluded FTUB from underwriting new community development loans during the period.

Community Development Investments

FTUB made a satisfactory level of community development investments and donations. During the assessment period, the bank made \$3.7 million in investments—two community development investments, and 16 community development grants.¹³

Both of the bank's two new community development investments provided low- and moderate-income mortgages in Massachusetts.

The bank made \$37,000 in qualified community development grants and donations. These benefited eight different community development organizations, five of which are located in Boston.

Community Development Services

The bank provides a satisfactory level of community development services. During the evaluation period, two bank officers provided financial expertise and leadership services to two qualified community development organizations serving the greater Boston area.¹⁴

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
One Harbor Street Boston, MA 02210	✓	✓
753 East Broadway Boston, MA 02127	✓	✓
750 Dorchester Avenue Suite 2100 Boston, MA 02125	✓	✓
One Design Center Place Boston, MA 02210	✓	
88 Black Falcon Avenue Boston, MA 02210	✓	

FSB: Full Service Branch

¹⁰ Based on most recent CRA Performance Evaluation by OCC published 2011.

¹¹ Ibid.

¹² Based on most recent CRA Performance Evaluation by OCC published 2011.

¹³ Based on most recent CRA Performance Evaluation by OCC published 2011.

¹⁴ Ibid.



Year-Over-Year at a Glance

HMDA And Low-Income Loans

First Trade Union Bank originated one HMDA-reportable loan in Boston in 2009, and two in 2010. The bank originated one low-income loan in 2009 and one in 2010. No data is available for lending in Boston in 2008.¹⁵

	2008	2009	2010
HMDA Applications Received		2	2
HMDA Loans Originated		1	2
Low-Income Applications Received		1	1
Low-Income Loans Originated		1	1

Small Business Loans

No 2010 HMDA-reportable small business loan data was available for First Trade Union Bank.¹⁶

Loan Information By Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

¹⁵ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

¹⁶ Ibid.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency; October 31, 2011.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

FDIC Institution Directory
<http://www2.fdic.gov/idasp/main.asp>

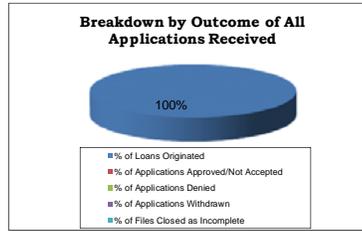
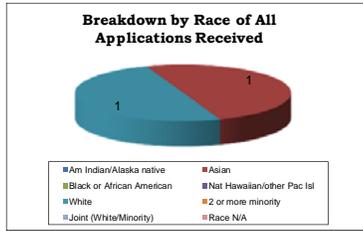
First Trade Union Bank Annual Report 2009.

First Trade Union Bank website:
<http://www.ftub.com/>

First Trade Union Bank HMDA Mortgage Lending 2010

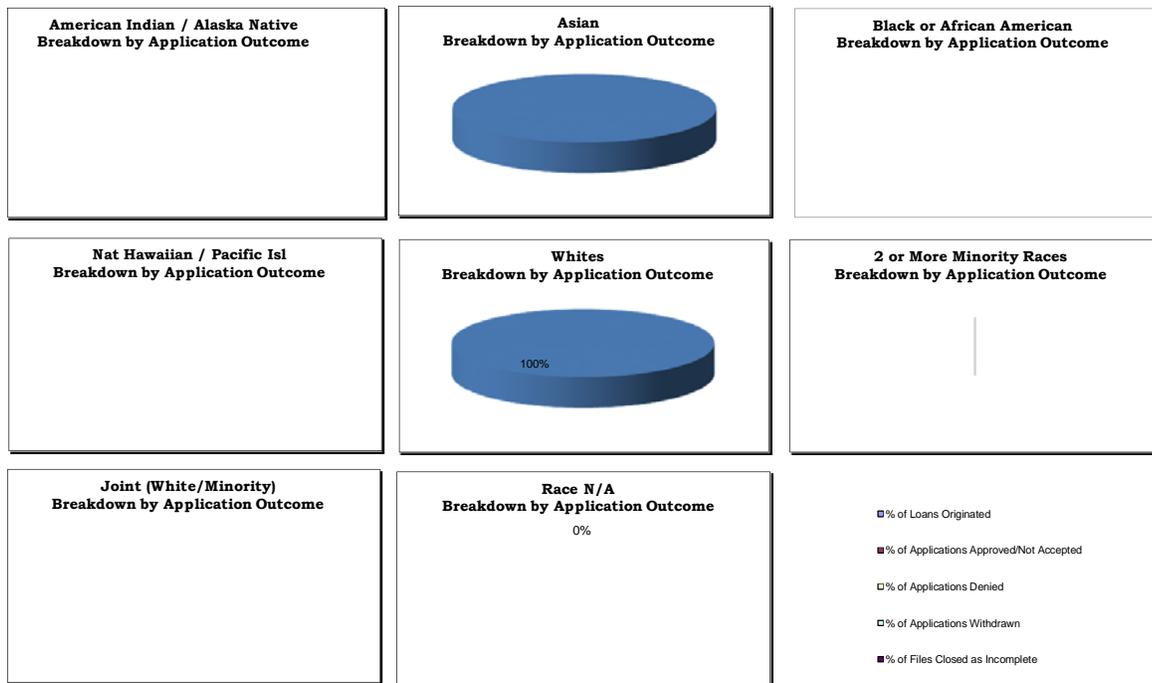
Race	Applications	% of Total	Loans	% of Loans	Applications	% of	Applications	% of	Applications	% of	Files Closed as	% of Files
	Received	Applications	Originated	Originated	Approved/Not Accepted	Approved/Not Accepted	Denied	Denied	Withdrawn	Withdrawn	Incomplete	Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	50%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	1	50%	1	100%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	2	100%	2	100%	0	0%	0	0%	0	0%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

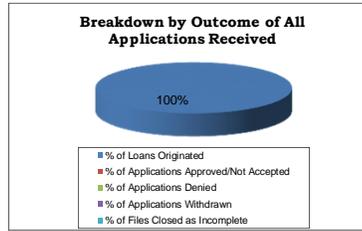
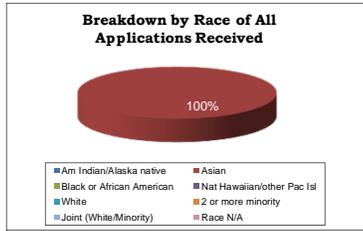
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First Trade Union Bank Low-Income Mortgage Lending 2010

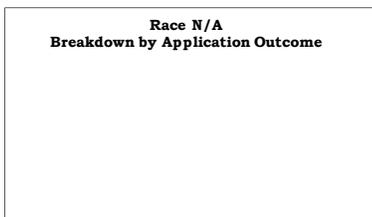
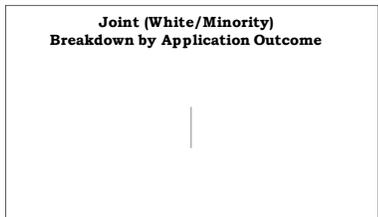
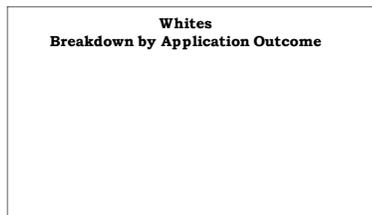
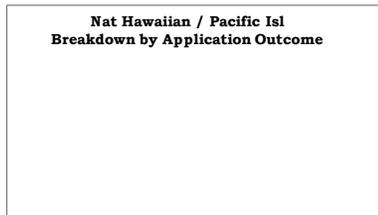
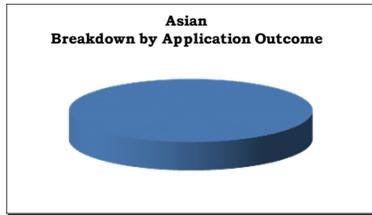
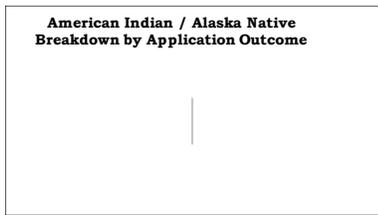
Race	Applications	% of Total	Loans	% of Loans	Applications	% of	Applications	% of	Applications	% of	Files Closed as	% of Files
	Received	Applications	Originated	Originated	Approved/Not	Approved/Not	Denied	Denied	Withdrawn	Withdrawn	Incomplete	Closed as
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Asian	1	100%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	1	100%	1	100%	0	0%	0	0%	0	0%	0	0%

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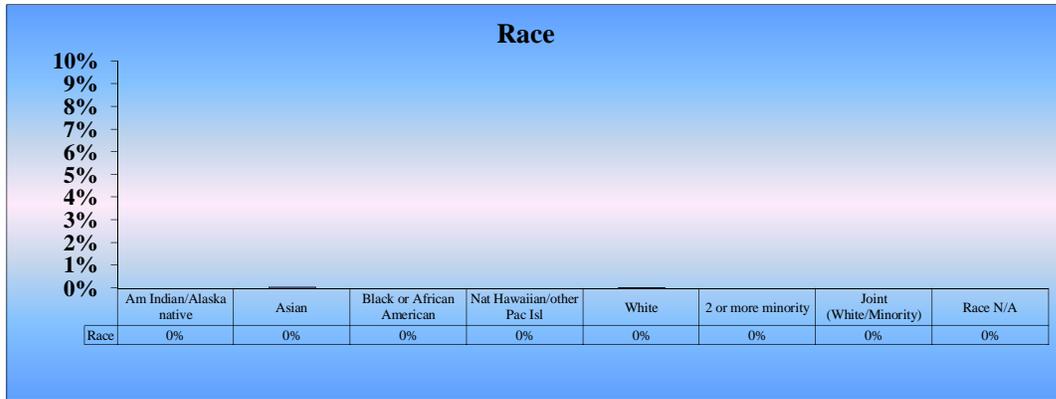
Compared against the MSA Aggregate Total

2010

First Trade Union Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
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Asian	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	2	0%	2	0%	0	0%	0	0%	0	0%	0	0%

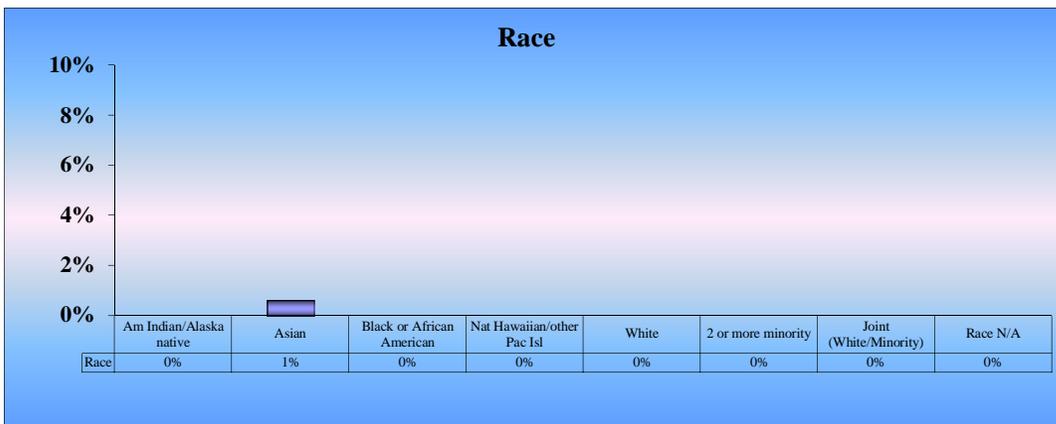
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



First Trade Union Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	1%	1	1%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Hyde Park Savings Bank



Hyde Park Savings Bank Overview

Hyde Park Savings Bank
1196 River Street
Hyde Park, MA 02136

Description

Hyde Park Savings Bank is a Massachusetts state chartered, mutual savings institution headquartered in Hyde Park. The bank was founded in 1871 and has been operating continuously from its River Street office for the past 139 years.

The bank's assets total \$910.3 million. The bank is almost exclusively a residential mortgage lender with 96.0% of all loans secured by one-to-four family residential properties.

In late 2010, Hyde Park Savings bank announced a new business model focused on expanding its product lines, with the goal of becoming a fully diversified community bank. Bank leadership plans to create a commercial lending department and to increase the bank's lending capabilities. The bank also announced its intention to change its name to "Blue Hills Bank" in 2011.

Principal Officers

CEO & President

William M. Parent
1196 River Street
Hyde Park, MA 02136
617-361-6900

CFO

Stephen McNulty
1196 River Street
Hyde Park, MA 02136
617-361-6900

Chief Credit Officer

Thomas R Sommerfield
1196 River Street
Hyde Park, MA 02136
617-361-6900

Employees

Number of Employees	103 ¹
Number of Employees in Massachusetts	103
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	6
Branches Within Boston MSA	3
Number of ATMs	6
Number of Free-Standing ATMs	0

CRA Rating

Rating Agency	FDIC
Most Recent Rating	2009
Overall Rating	SATISFACTORY²
Lending Test Rating	SATISFACTORY
Investment Test Rating	HIGH
Service Test Rating	HIGH
	SATISFACTORY

¹ FDIC Institution Directory

² Based on most recent CRA Performance Evaluation by FDIC published 2009.



Discussion

Overall rating: SATISFACTORY³

Lending Test

Lending Test Rating: SATISFACTORY⁴

General Responsiveness to Credit Needs

Hyde Park Savings Bank’s lending activity demonstrates an adequate degree of responsiveness to the credit needs of the assessment area. Considering the Bank’s asset size and level of deposits, however, total loan volume is low.⁵

The bank has made some efforts to increase its HMDA lending and its loan-to-deposit ratio. The number of HMDA loans the bank made has fluctuated from year to year, but the bank’s overall market rank among all HMDA reporters has been increasing year over year. Furthermore, the bank’s loan-to-deposit ratio has increased slightly each year since 2005.⁶

Nonetheless, in 2010, the bank loaned only 26 cents for every dollar deposited.⁷ This is well below the average loan to deposit ratio of Massachusetts banks of 87 percent.⁸

The bank’s new strategic plan, announced in 2010, seeks to remedy this low level of lending, both by increasing residential mortgage lending and by instituting new product lines.⁹

Responsiveness to Low- and Moderate-Income Credit Needs

Hyde Park Savings Bank achieved a good penetration of loans among borrowers of different income levels, based on the area’s

demographics and a comparison to aggregate lending data.

4.1 percent of the bank’s home mortgage loans in the assessment area were made to low-income borrowers, which compares favorably to the aggregate market’s 2.8 percent. Both the bank and the aggregate market percentages are well below the percentage of low-income families in the assessment area (19.2 percent); however, this can be explained in part by the high home prices in the assessment area.¹⁰

The bank’s market share by borrower income category also reflects its success at targeting its lending to low- and moderate-income borrowers. The bank ranks 26th overall in lending market share, but it ranks 12th to low-income and 17th to moderate-income borrowers.

Hyde Park Savings Bank was somewhat less successful at targeting its lending to low- and moderate-income geographies. In 2007, 1.6 percent of the bank’s loans were to borrowers in low-income census tracts, less than the aggregate market’s 2.5 percent. The bank originated 26.1 percent of all loans in moderate-income census tracts, which is better than the aggregate market performance of 19.0 percent and substantially higher than the percentage of owner-occupied housing units that are in the moderate-income census tracts (12.2 percent).¹¹

Leadership in Community-Development Loans

Hyde Park Savings Bank has made a relatively high level of community development loans. The Bank has identified two loan funds and an initiative to protect seniors as viable ways to extend credit to support community development projects:

- **Boston Community Loan Fund:** The Bank has invested a total of \$2 million in this loan fund, including \$1 million added since the 2006 CRA evaluation. The fund serves as a financial intermediary between

³ Based on most recent CRA Performance Evaluation by FDIC published 2009.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ FDIC Institution Directory.

⁸ *Boston Business Journal*, 23 June 2010.

⁹ Hyde Park Bancorp 2010 Annual Report.

¹⁰ Based on most recent CRA Performance Evaluation by FDIC published 2009.

¹¹ Ibid.



institutions and individuals seeking to invest in community development projects throughout the greater Boston area.

- **Solomon Hess SBA Loan Fund:** The Bank has committed a total of \$500,000 to this loan fund, which invests in SBA 7(a) loans to promote permanent job creation, retention, and improvement in low- or moderate-income areas.
- **Senior Housing Crime Prevention Foundation:** The Bank extended a \$1 million loan to this foundation whose purpose is “to provide safe and secure living environments for senior housing residents.”

Innovative or Flexible Lending Practices

Hyde Park Savings Bank has made limited use of innovative or flexible loan products. The bank offers five different flexible or innovative loan programs, but was successful in making loans under only three of the programs during the evaluation period.¹²

The bank offers the following flexible or innovative loan programs:

- First-time Homebuyer Program
- Soft Second Loan Program
- City of Boston Down Payment and Closing Cost Assistance Program
- MassHousing MassAdvantage & MassHousing MyCommunity Initiatives

Investment Test

Investment Test Rating:
HIGH SATISFACTORY¹³

Overall, Hyde Park Savings Bank has a significant level of qualified community development investments and grants. The total of the Bank’s qualified investments is \$8.3 million, which consists of \$8.2 million in equity investments and \$70,210 in grants or donations.¹⁴

As of May 31, 2009, the total book value of the Bank’s qualified equity investments represents

¹² Ibid.

¹³ Ibid

¹⁴ Ibid.

1.65% of the Bank’s total investment portfolio. The qualified investments help support a variety of community development needs, including affordable housing and small business development. The bank has qualified equity investments in the following organizations:

- Access Capital Strategies
- Community Capital Management
- Fannie Mae & Ginnie Mae Pass Through Certificates
- Massachusetts Business Development Corporation
- Massachusetts Housing Equity Fund XIV
- Massachusetts Housing Investment Corporation

Hyde Park Savings Bank has also made contributions to organizations that promote affordable housing, provide community services to low- and moderate-income people, and promote economic development within their assessment area. During the evaluation period, approximately \$65,210 of the bank’s donations were qualified CRA investments.

In 2008 the bank’s qualified donations represented 0.24 percent of pre-tax operating income. While the bank is showing support of community development activities through its donations, this ratio is relatively low and indicates that the bank has a greater capacity to extend donations.¹⁵

In 2010, the bank announced the creation of the Hyde Park Charitable Foundation, with the goal of increasing the bank’s outreach to its local communities. In 2010, the bank donated \$3.2 million to the new charitable foundation, and pledged to make annual donations equal to 5% of pre-tax profits.¹⁶

Service Test

Service Test Rating:
HIGH SATISFACTORY¹⁷

¹⁵ Ibid.

¹⁶ Hyde Park Bancorp 2010 Annual Report.

¹⁷ Based on most recent CRA Performance Evaluation by FDIC published 2009.



Description of Service-Delivery Systems

Hyde Park Savings Bank’s retail services are accessible to essentially all portions of the assessment area. The bank’s office locations are distributed in such a way that no portion of the assessment area is inconvenienced, and alternative delivery systems are available to compensate for any limitations on physical access to the Bank’s facilities.¹⁸

Since the previous FDIC evaluation in 2006, the bank opened one branch in an upper-income census tract in Brookline. The bank has not closed any offices since the prior evaluation.

Community Development Services

Hyde Park Savings Bank provides a relatively high level of community development services. The bank participates in a number of government and private sector programs that are of special interest or benefit to low- and moderate-income consumers.

The bank participates in the Massachusetts Community and Banking Council’s Basic Banking in Massachusetts program, which is designed to offer low cost checking and savings accounts to low- and moderate-income individuals. It also participates in the Massachusetts Banker’s Association’s Foreclosure Prevention Program. The program provides counseling to low- and moderate-income homeowners throughout Massachusetts.

The bank also collaborates with Ecumenical Social Action Committee (ESAC) of Jamaica Plain in its Sustainable Homeownership Program. The goal of the program is to prevent needless home foreclosures. Homeowners on the verge of foreclosure are counseled by ESAC and referred to participating lenders such as Hyde Park Savings Bank.

The Bank participates in a number of educational programs and seminars, including Boston’s Meet the Lenders Program, Home Buyers Seminars, and a training seminar on the Soft Second Products and City of Boston Closing Cost Programs.

¹⁸ Ibid.

The bank’s staff demonstrated its commitment to the assessment area by volunteering their time and financial expertise to community-oriented organizations and programs and organizations that promote economic development opportunities for small businesses.¹⁹

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
1196 River Street Hyde Park, MA	✓	✓
1065 Truman Parkway Hyde Park, MA 02136	✓	✓
1920 Centre Street West Roxbury, MA 02132	✓	✓

FSB: Full Service Branch

Year-Over-Year at a Glance

HMDA And Low-Income Loans

HPSB’s HMDA lending declined steadily from 2006 to 2009, with a 62% drop in originations between 2008 and 2009. HMDA applications dropped again in 2010, but originations rose slightly, from 30 in 2009 to 38 in 2010. The bank’s low-income HMDA lending remained nominal.²⁰

	2008	2009	2010
HMDA Applications Received	93	64	57
HMDA Loans Originated	78	30	38
Low-Income Applications Received	2	3	2
Low-Income Loans Originated	1	0	2

Small Business Loans

No 2010 HMDA-reportable small business loan data was available for Hyde Park Savings Bank.²¹

¹⁹ Ibid.

²⁰ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

²¹ Ibid.



Loan Information By Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.



Source Documents

Community Reinvestment Act Performance Evaluation, Federal Deposit Insurance Corporation; June 22, 2009.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

FDIC Institution Directory
<http://www2.fdic.gov/idasp/main.asp>

Massachusetts Division of Banks, Summary Information for State Chartered Banks and Credit Unions:
<http://db.state.ma.us/dob/in-choose.asp>

Hyde Park Bancorp Annual Report 2010.

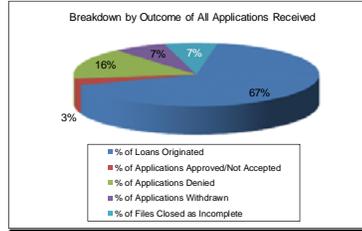
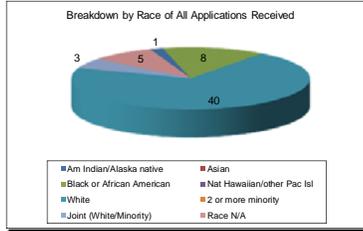
Hyde Park Savings Bank website:
<http://www.hydeparkbank.com/>

Hyde Park Savings Bank HMDA Mortgage Information

2010

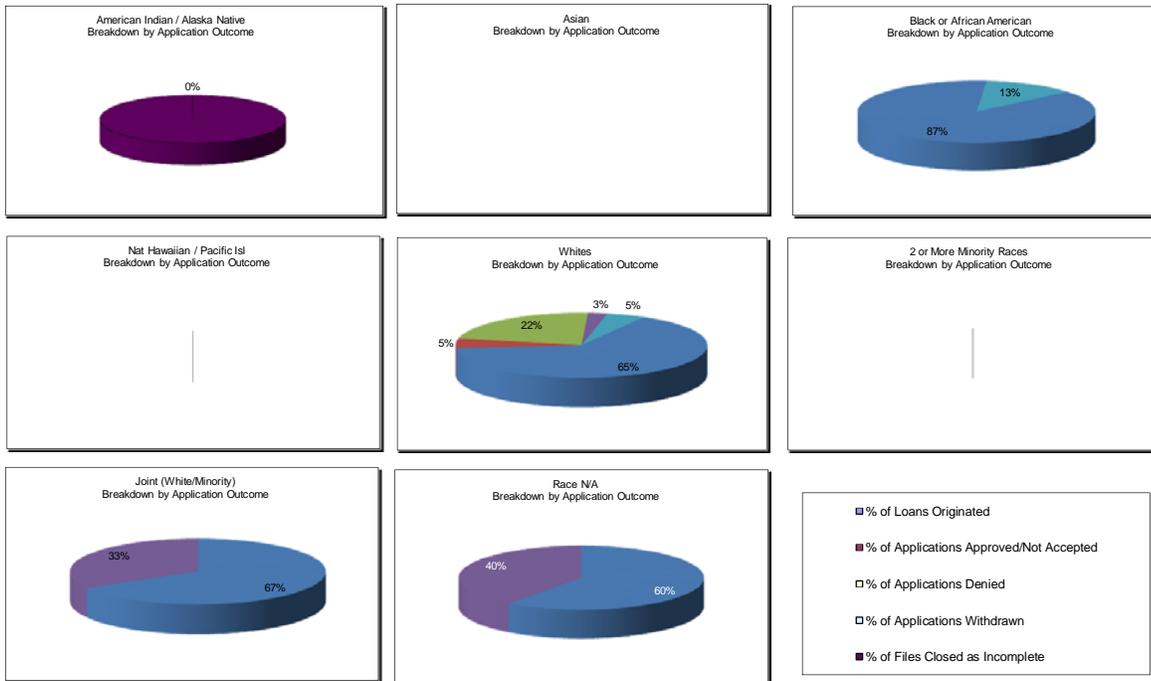
Race	Applications Received	% of Total Applications	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	1	2%	0	0%	0	0%	0	0%	0	0%	1	100%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	8	14%	7	88%	0	0%	0	0%	0	0%	1	13%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	40	70%	26	65%	2	5%	9	23%	1	3%	2	5%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	3	5%	2	67%	0	0%	0	0%	1	33%	0	0%
Race N/A	5	9%	3	60%	0	0%	0	0%	2	40%	0	0%
Total	57	100%	38	67%	2	4%	9	16%	4	7%	4	7%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



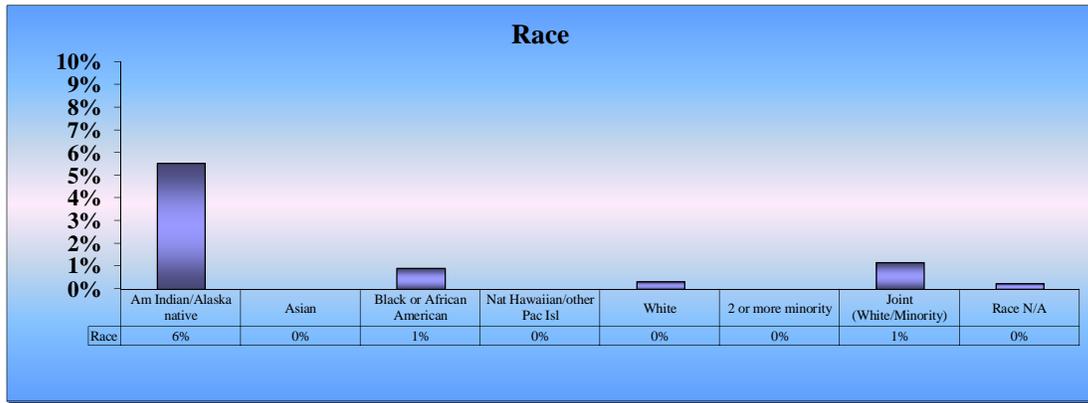
Compared against the MSA Aggregate Total

2010

Hyde Park Savings Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	1	6%	0	0%	0	0%	0	0%	0	0%	1	100%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	8	1%	7	1%	0	0%	0	0%	0	0%	1	2%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	40	0%	26	0%	2	0%	9	1%	1	0%	2	1%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	3	1%	2	1%	0	0%	0	0%	1	4%	0	0%
Race N/A	5	0%	3	0%	0	0%	0	0%	2	1%	0	0%
Total	57	0%	38	0%	2	0%	9	0%	4	0%	4	1%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Hyde Park Savings Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	1	1%	1	1%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	2	0%	2	0%	0	0%	0	0%	0	0%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





JPMorgan Chase Bank



JPMorgan Chase Bank Overview

JPMorgan Chase Bank, N.A.
1111 Polaris Highway
Columbus, OH 43240

Description

JPMorgan Chase Bank, N.A. is a subsidiary of JPMorgan Chase & Co., a global financial services firm with assets of \$2.1 trillion and operations in more than 60 countries. The bank has over \$1.6 trillion in assets.

A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. is one of the largest originators and servicers of home mortgages in the country. The bank has one of the largest branch networks in the United States, with over 5,300 branches and 16,000 ATMs in 23 states. The bank's retail network operates under the Chase brand.

The firm's \$3 billion Retail Financial Services division provides a range of financial services to consumers and small businesses, though its retail presence in Massachusetts is minimal. The bank is the nation's largest SBA lender.

In 2008, JPMorgan Chase acquired Washington Mutual Bank after Washington Mutual was seized by the FDIC.

No CRA information is reported about JPMorgan Chase Bank's Massachusetts activities. The most recent review, conducted in 2007, did not evaluate the bank's presence in Massachusetts. Ratings are provided for reference only.

Principal Officers

Chairman and CEO, JPMorgan Chase & Co.

James Dimon
1111 Polaris Highway
Columbus, OH 43240
212-270-6000

CFO

Douglas L. Braunstein
1111 Polaris Highway
Columbus, OH 43240
212-270-6000

Compliance Officer

Martha J. Gallo
1111 Polaris Highway
Columbus, OH 43240
212-270-6000

Employees

Number of Employees	181, 245 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	5563
Branches Within Boston MSA	0
Number of ATMs	16,145
Number of Free-Standing ATMs	10,582

CRA Rating

Rating Agency	OCC
Most Recent Rating	2009
Overall Rating	OUTSTANDING ²
Lending Test Rating	OUTSTANDING
Investment Test Rating	HIGH
Service Test Rating	SATISFACTORY
	HIGH
	SATISFACTORY

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by OCC published 2007.



Discussion

Overall rating: OUTSTANDING³

JPMorgan Chase Bank (JPMC Bank) received a CRA evaluation in January 2007. Massachusetts was not among in the bank’s CRA assessment areas, as the bank does not operate any branches in Massachusetts. Therefore, **the evaluation did not include any Boston information.** Ratings and information are included below as a reference only.

Lending Test

Lending Test Rating: OUTSTANDING⁴

JPMC Bank’s lending performance is excellent. The bank made a high volume of community development loans, with an excellent level of responsiveness to identified needs in the bank’s assessment areas.⁵

General Responsiveness to Credit Needs

JPMC Bank’s lending activity is excellent. The bank typically generated a large volume of loans in its markets, often despite strong competition. In most of its assessment areas, the bank is among the market leaders. The bank’s volume of loans originated reflects the bank’s resources and capacity.⁶

Responsiveness to Low- and Moderate-Income Credit Needs

JPMC Bank’s distribution of loans to geographies of different income levels is good. Home purchase and small business lending each show good penetration in low- and moderate-income geographies, while home improvement and refinance lending demonstrated excellent penetration.

The bank’s distribution of loans to borrowers of different income levels is good. By product,

³ Based on most recent CRA Performance Evaluation by OCC published 2007.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

home purchase lending is adequate while home improvement, refinance, and small business lending are all good.

Leadership in Community-Development

Loans

In total, JPMC Bank made over \$5.7 billion in community development loans in the bank’s CRA rating areas in the period under review. Most (53 percent) of the community development loans made by the bank provided needed affordable housing. Another 23 percent of community development loans provided social services that assisted low- and moderate-income individuals, and 22 percent helped to revitalize or stabilize low- or moderate-income geographies.⁷

Investment Test

Investment Test Rating: HIGH SATISFACTORY⁸

JPMC Bank’s overall investment performance is good. This is evident through the volume of qualified investments and grants made during the evaluation period, and the remaining value of investments originated in prior periods. With these investments, the bank demonstrated excellent responsiveness to the identified community development needs of its communities, particularly through investment vehicles that promote affordable housing for low- and moderate-income individuals, and funds to community service organizations.

In total, JPMC Bank made over \$3.9 billion in community development investments and grants within its assessment areas in the period reviewed. Of this, approximately \$1.5 billion was originated in the current evaluation period and \$2.4 billion was originated in prior periods and remains outstanding.⁹

A vast majority of the total investments (93 percent) provided affordable housing, an identified need in many communities. In

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.



addition, the bank made \$94.9 million in grants to national organizations, \$87.7 million of which went to one organization, Consumer Credit Counseling Service (CCCS). These grants demonstrate the bank’s commitment to community development efforts throughout its assessment areas and broader regional areas.

JPMC Bank and bank affiliates responded to affordable housing needs primarily through investment in Low-Income Housing Tax Credit investments or acting as an equity placement agent for other investors into the LIHTC market. The bank is consistently among the top investors in the LIHTC market.¹⁰

Service Test

Service Test Rating: HIGH SATISFACTORY¹¹

Description of Service-Delivery Systems

JPMC Bank’s branch network is accessible to geographies and individuals of different income levels in the bank’s assessment areas. The bank’s record of opening and closing branch offices has not affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies.¹²

While branch hours vary by assessment area and within assessment areas, overall they do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies.

Branch Information

JPMC Bank has no branches or ATMs in the Boston MSA or in Massachusetts. It operates one mortgage loan center in Boston, and one in Cambridge, Massachusetts.

Community Development Services

JPMC Bank had an excellent level of community development services. In many of the bank’s assessment areas, the bank provides financial services training to first-time homebuyers as well as to homeowners trying to preserve their homes.

Frequently, the bank’s services involve ongoing relationships with organizations that work on affordable housing and other community development goals.¹³

Additional Information

In 2004-2010, the bank fulfilled \$576 billion of an \$800 billion, 10-year community-development commitment in the United States. These funds are targeted to providing community-development loans and investments, small business loans, and consumer mortgages for lower-income and minority households.¹⁴

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ JPMorgan Chase & Co. Annual Report 2010.



Year-Over-Year at a Glance
HMDA And Low-Income Loans

JPMorgan Chase Bank has originated no HMDA-reportable loans in the Boston MSA since it established a presence in Massachusetts in 2005.¹⁵

	2008	2009	2010
HMDA Applications Received	0	0	0
HMDA Loans Originated	0	0	0
Low-Income Applications Received	0	0	0
Low-Income Loans Originated	0	0	0

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.0%	0.5%	0.4%
Moderate	0.0%	0.4%	0.3%
Middle	0.1%	0.6%	0.4%
Upper	0.1%	0.3%	0.3%
Total	0.0%	0.5%	0.4%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	1.4%	1.0%	0.3%
Moderate	1.7%	0.4%	0.4%
Middle	0.2%	0.5%	0.3%
Upper	0.1%	0.3%	0.2%
Total	0.4%	0.6%	0.3%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for JPMorgan Chase Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

¹⁵ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency; January 1, 2007.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

JPMorgan Chase & Co. Annual Report, 2009 and 2010.

FDIC Institution Directory
<http://www2.fdic.gov/idasp/main.asp>

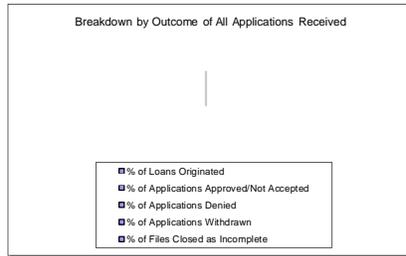
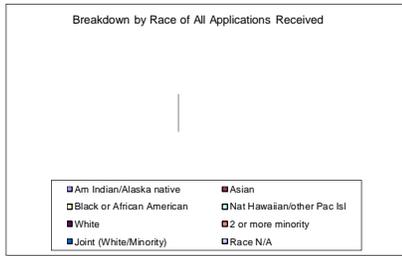
JPMorgan Chase Bank website
<http://www.jpmorganchase.com/>

JPMorgan Chase Bank HMDA Mortgage Information

2010

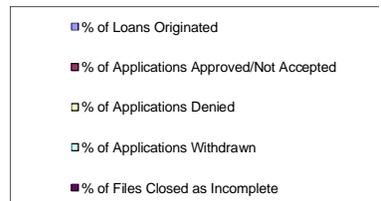
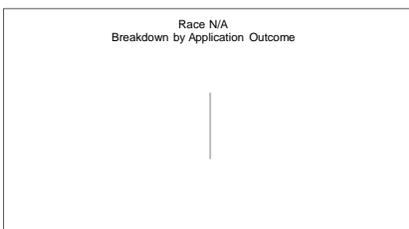
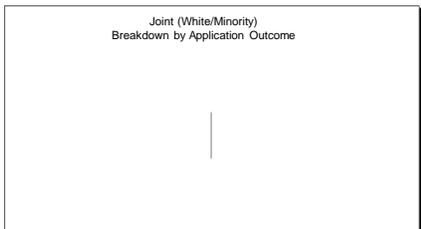
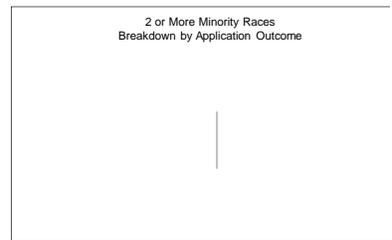
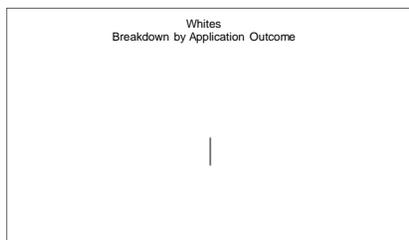
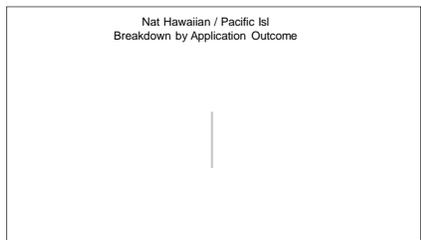
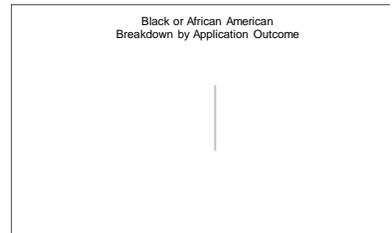
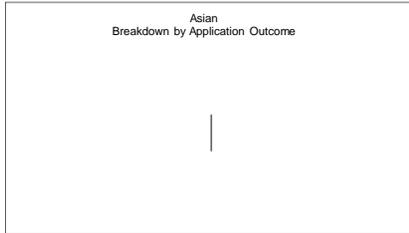
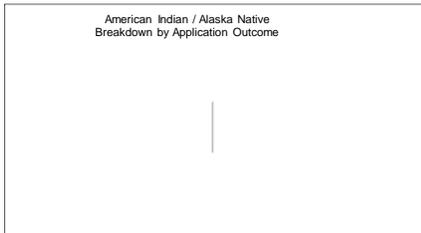
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



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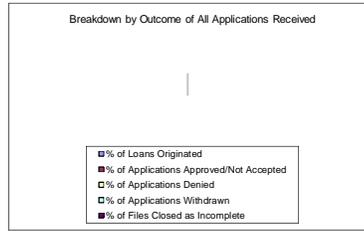
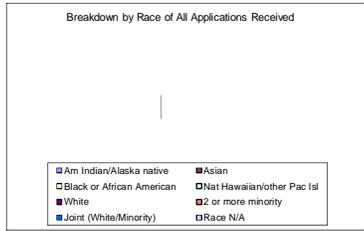


JPMorgan Chase Bank Low-Income Mortgage Information

2010

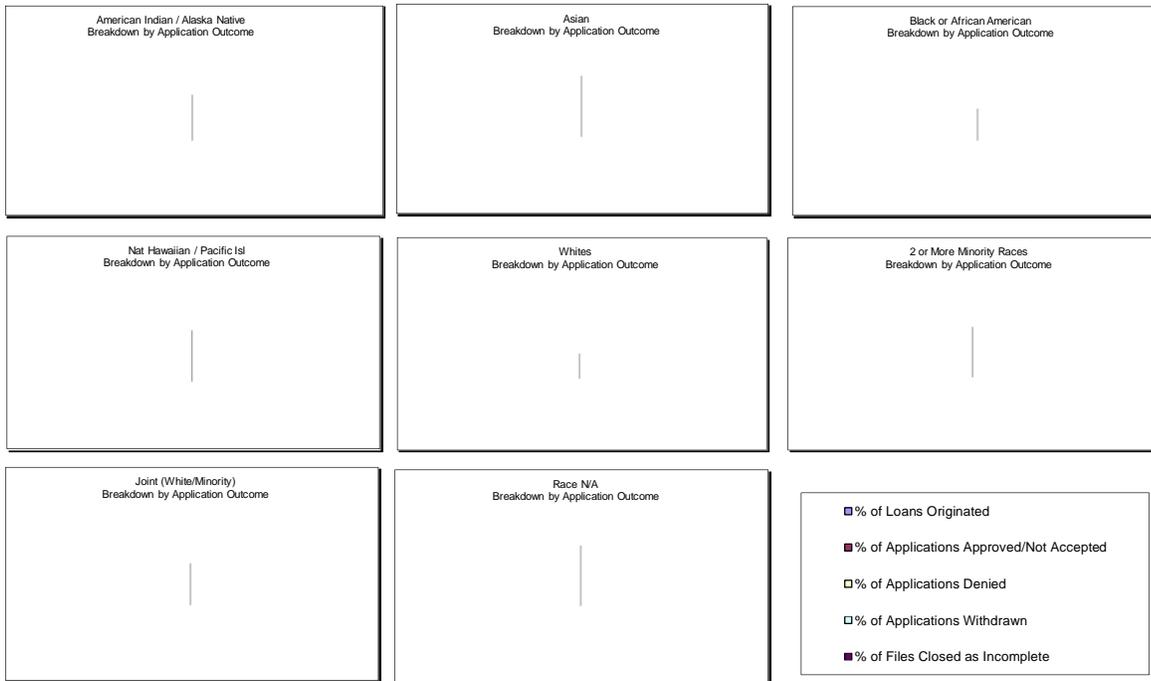
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Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

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OneUnited Bank



OneUnited Bank
100 Franklin Street
Boston, MA 02110

Description

OneUnited Bank is a minority-owned, commercially-chartered financial institution headquartered in Boston, Massachusetts. Its current asset size is \$522.9 million. OneUnited maintains two branches in Boston, two in Florida, and five in California.

The institution was created as the result of the consolidation of four minority-owned banks: Boston Bank of Commerce in Boston, Massachusetts; Peoples National Bank of Commerce in Miami, Florida; Founders National Bank in Los Angeles, California; and Family Savings Bank in Los Angeles, California.

OUB’s current business focus is primarily the origination of multifamily residential real estate loans (which make up 71 percent of the bank’s loans). The bank’s lending in Massachusetts and Florida has been extremely limited. In 2010, with new senior management in the lending area, OneUnited launched a new residential lending program and re-launched its multi-family lending program

Principal Officers

Chairman & CEO

Kevin Cohee
100 Franklin Street, 6th Floor
Boston, MA 02110
323-290-4848

President

Teri Williams
100 Franklin Street, 6th Floor
Boston, MA 02110
323-290-4848

CFO

John Trotter
100 Franklin Street, 6th Floor
Boston, MA 02110
323-290-4848

Chief Lending Officer

Cecilia Isaac
100 Franklin Street, 6th Floor
Boston, MA 02110
323-290-4848

Employees

Number of Employees	97 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches – Total	9
Branches Within Boston MSA	2
Number of ATMs	0
Number of Free-Standing ATMs	0

CRA Rating for Massachusetts

Rating Agency	FDIC
Most Recent Rating	2010
Overall Rating	NEEDS TO IMPROVE ²
Lending Test Rating	SUBSTANTIAL NONCOMPLIANCE
Community Development Test Rating	NEEDS TO IMPROVE

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by FDIC published 2007.



Discussion

Based on the bank’s asset size, their CRA performance was evaluated using the Interagency Intermediate Small Institution Examination Procedures, which consist of a Lending Test and a Community Development Test.

The bank was assessed both on its overall performance and on its California, Massachusetts, and Florida operations individually. The discussion below focuses on the bank’s Massachusetts ratings. In the bank’s California assessment areas, it received a rating of “Needs to Improve”; in Florida, it was rated “Substantial Noncompliance.”³

The FDIC’s review also reviewed OneUnited’s compliance with fair lending regulations, and identified multiple violations of the Federal Reserve Board’s Regulation B – Equal Credit Opportunity Act during the period under review.⁴

**Overall rating in Massachusetts:
NEEDS TO IMPROVE⁵**

Lending Test

**Lending Test Rating in Massachusetts:
SUBSTANTIAL NONCOMPLIANCE⁶**

General Responsiveness to Credit Needs

OneUnited’s lending activity in Massachusetts is considered very poor. The bank’s volume of lending was extremely low. No mitigating factors explain or justify the bank’s failure to meet the standards for a “Satisfactory” rating, particularly in Massachusetts.⁷

The Bank originated only five home mortgage loans in the Massachusetts AA during the entire CRA review period, with no loans at all originated in 2009.

This level of lending is well below the standards of satisfactory performance given OneUnited’s asset size, business focus, branch structure, and the lending opportunities in Massachusetts.⁸

In the Boston MSA, the bank has made only one HMDA-reportable home mortgage loan since 2006.⁹

The limited resources that OneUnited devoted to loan production had a significant negative impact on OneUnited’s lending activity. The bank did not hire a Chief Lending Officer until December 2009, and the lack of sufficient lending resources and staff appreciably diminished OneUnited’s lending activity bank-wide.¹⁰

OneUnited’s poor lending performance is considered especially egregious because the bank has been designated as a Community Development Financial Institutions (CDFI) fund bank since July 1997. The CDFI program is a U.S. government-sponsored initiative created to expand the availability of credit, capital, and financial services in distressed urban and rural communities. The program provides financial assistance to institutions that serve these communities and low-income individuals.¹¹

Responsiveness to Low- and Moderate-Income Credit Needs

The Bank’s performance in meeting the needs of low- and moderate-income borrowers in Massachusetts was very poor due to the bank’s low volume of lending.¹²

In 2008, the Bank made one loan in a low-income tract and one loan in a moderate-income tract. As noted above, the bank did not originate any loans in Massachusetts in 2009. In the first three quarters of 2010, the bank originated three

³ Based on most recent CRA Performance Evaluation by FDIC published 2010.

⁴ Ibid.

⁵ Based on most recent CRA Performance Evaluation by FDIC published 2010.

⁶ Ibid.

⁷ Based on most recent CRA Performance Evaluation by FDIC published 2010.

⁸ Ibid.

⁹ FFIEC HMDA Aggregate & Disclosure Software Version 2.2, Board of the Governors of the Federal Reserve System; 2010.

¹⁰ Based on most recent CRA Performance Evaluation by FDIC published 2010.

¹¹ Ibid.

¹² Based on most recent CRA Performance Evaluation by FDIC published 2010.



loans, two in moderate-income tracts and one in an upper-income tract.¹³

Despite hiring additional lending staff in late 2009 and early 2010, there has been little effect on the Bank's lending activity in Massachusetts.

In the Boston MSA, OneUnited Bank has made no low-income HMDA loans since 1998.¹⁴

Community Development Test

Community Development Test Rating in Massachusetts: NEEDS TO IMPROVE¹⁵

The Bank's overall community development performance demonstrates poor responsiveness to the community development needs of Massachusetts, considering the institution's capacity and the need and availability of such opportunities in Massachusetts.¹⁶

Lending

OneUnited's community development lending is considered poor based on the Bank's size, resources, and needs of the assessment areas.¹⁷

The only community development loan the bank made in Massachusetts during the review period (2007-2010) was a single \$600,000 community development loan that provided affordable rental housing.

This represents a significant decrease in the number of community development lending since the previous evaluation (2005-2007).

Investments

A review of the Bank's qualified investments revealed a poor level of charitable contributions in Massachusetts. The bank made only \$15,350 in charitable contributions over the period 2007-2010. There were no additional equity

¹³ Ibid.

¹⁴ FFIEC HMDA Aggregate & Disclosure Software Version 2.2, Board of the Governors of the Federal Reserve System; 2010.

¹⁵ Based on most recent CRA Performance Evaluation by FDIC published 2010.

¹⁶ Ibid.

¹⁷ Based on most recent CRA Performance Evaluation by FDIC published 2010.

investments or other qualified investments made in Massachusetts.¹⁸

Given the size of the institution and the fact that OneUnited is chartered in Massachusetts, the volume of qualified investments in Massachusetts is considered less than adequate.¹⁹

Service

The overall level of community development services provided by OneUnited is considered marginally adequate.²⁰

Both of the Bank's full-service branch locations in Boston are in low-income census tracts. The opening of the Dorchester branch in 2007 provided the area, including low- and moderate-income individuals and families, with greater access to banking services. The Dorchester branch also offers extended hours and is open Saturdays.

Individual officers supported two community development organizations in Boston, as well as other national organizations. These individuals served in leadership roles at the organizations, including Board positions, and provided the organizations with their financial expertise and experience.

OneUnited is active in providing and supporting financial literacy initiatives in the area.

The Bank made several presentations in Massachusetts discussing the availability of affordable real estate, financing, and FDIC insurance.

In 2009, the Bank, in conjunction with Links, Inc., created a financial literacy program to deliver the *Gift of Money* workshop to schools and youth organizations in low- and moderate-income communities in Massachusetts. The workshop was taught at two other area schools in Massachusetts in the spring of 2010.

Branch Information

Branch locations in the Boston MSA:

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Based on most recent CRA Performance Evaluation by FDIC published 2010.



Location	ATM	FSB
648 Warren Street Dorchester, MA 02121		✓
2343 Washington Street Roxbury, MA 02119		✓
FSB: Full Service Branch		

The bank’s location at 100 Franklin Street, Boston, does not handle any cash transactions.

OneUnited does not own or operate any ATMs.

Special Note

In October 2008, the FDIC issued a cease-and-desist order to OneUnited Bank. According to the Order, the FDIC and the Massachusetts Division of Banks “determined that it had reason to believe that the Bank had engaged in unsafe or unsound banking practices and violations of law.”²¹

Among other issues, regulators cited bank for “operating with an inadequate level of capital for the kind and quality of assets held,” “engaging in speculative investment practices,” “operating without an effective loan documentation program,” and “allowing the payment of excessive compensation, fees and benefits to its senior executive officers.”²²

In early 2009, the bank received \$12 million in TARP funds. In the ethics investigation that followed, Rep. Maxine Waters (D-California) was accused of political interference in the bailout decision. She is currently awaiting a congressional trial.

As of mid-2011, the bank has yet to repay any of its bailout money, having skipped nine consecutive quarterly payments in violation of its agreement with the federal government.²³

Year-Over-Year at a Glance
HMDA And Low-Income Loans

OneUnited Bank has not originated any low-income HMDA loans in Boston since 1998.

Between 2005 and 2010, OneUnited originated only two HMDA loans. Its single HMDA loan in 2010 is the first loan the bank has made 2006.²⁴

	2008	2009	2010
HMDA Applications Received	0	0	3
HMDA Loans Originated	0	0	1
Low-Income Applications Received	0	0	1
Low-Income Loans Originated	0	0	0

Small Business Loans

No 2010 HMDA-reportable small business loan data was available for OneUnited Bank.²⁵

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

²¹ Federal Deposit Insurance Corporation & The Commonwealth of Massachusetts Division of Banks to OneUnited Bank – Order To Cease And Desist; FDIC-08-294b; Issued October 27, 2008.

²² Ibid.

²³ The Boston Globe, Banks Tap Fund to Repay TARP, Todd Wallack, 20 June 2011.

²⁴ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

²⁵ Ibid.



Source Documents

Community Reinvestment Evaluation, Federal Deposit Insurance Corporation; October 4, 2010.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Federal Deposit Insurance Corporation & The Commonwealth of Massachusetts Division of Banks to OneUnited Bank – Order To Cease And Desist; FDIC-08-294b; Issued October 27, 2008.

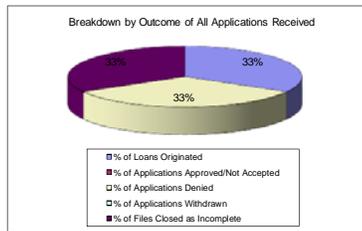
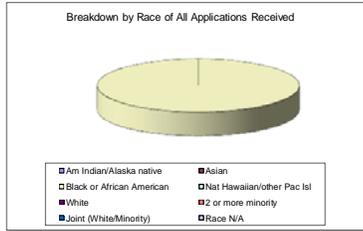
FDIC Information Directory:
<http://www2.fdic.gov/idasp/main.asp>

OneUnited website:
<http://www.oneunited.com/>

OneUnited Bank HMDA Mortgage Lending 2010

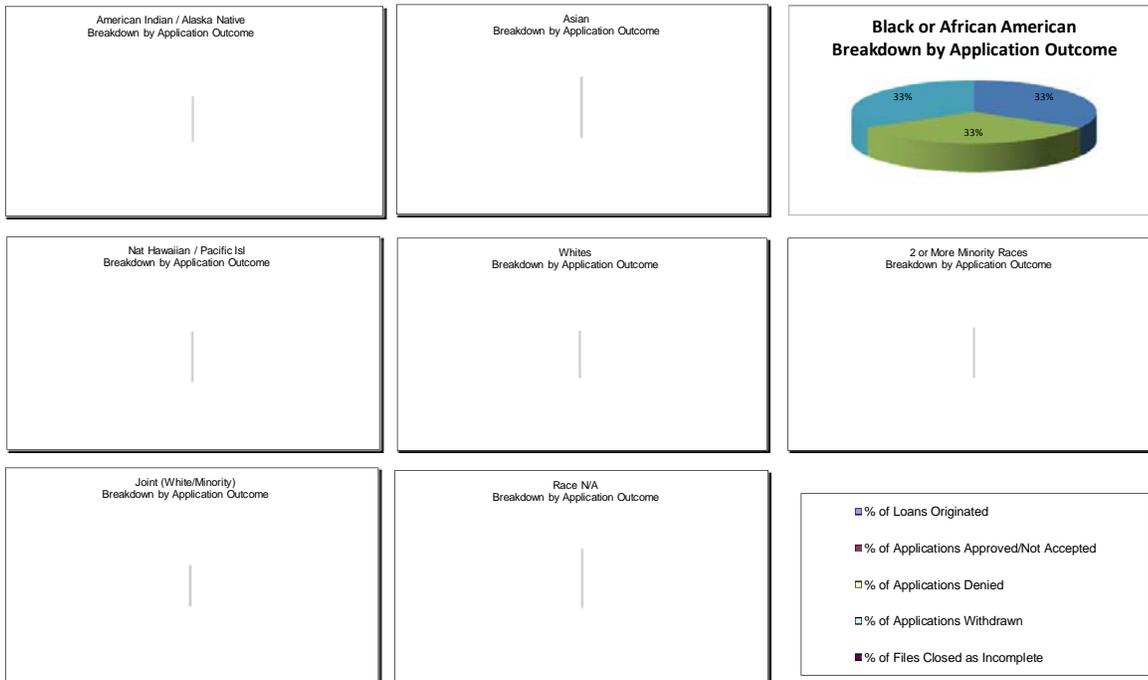
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Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	3	100%	1	33%	0	0%	1	33%	0	0%	1	33%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	3	100%	1	33%	0	0%	1	33%	0	0%	1	33%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



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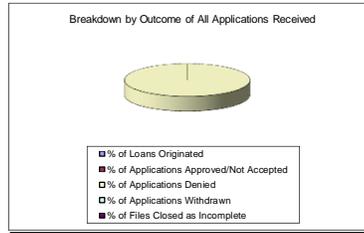
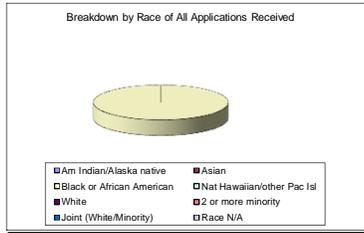
OneUnited Bank Low-Income Mortgage Lending

Note: No Data Reported For "Less Than 50% OF MSA/MD Median"

2010

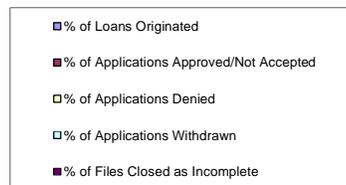
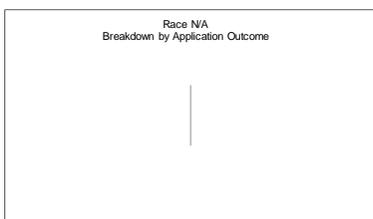
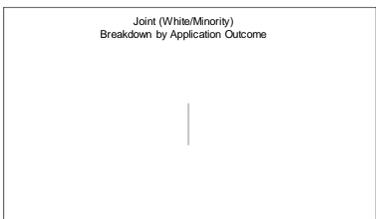
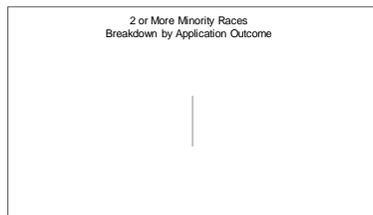
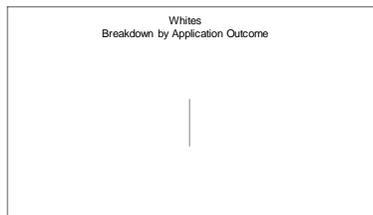
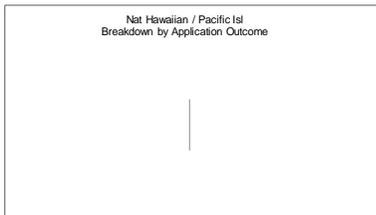
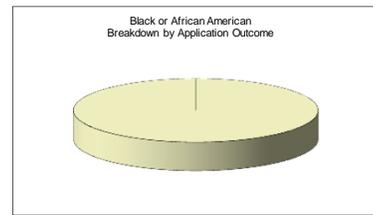
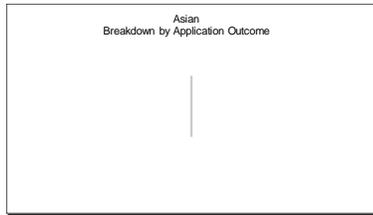
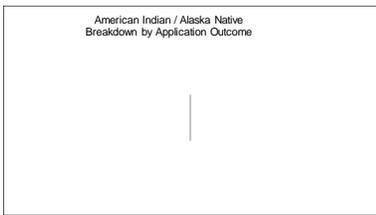
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Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	1	100%	0	0%	0	0%	1	100%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	1	100%	0	0%	0	0%	1	100%	0	0%	0	0%

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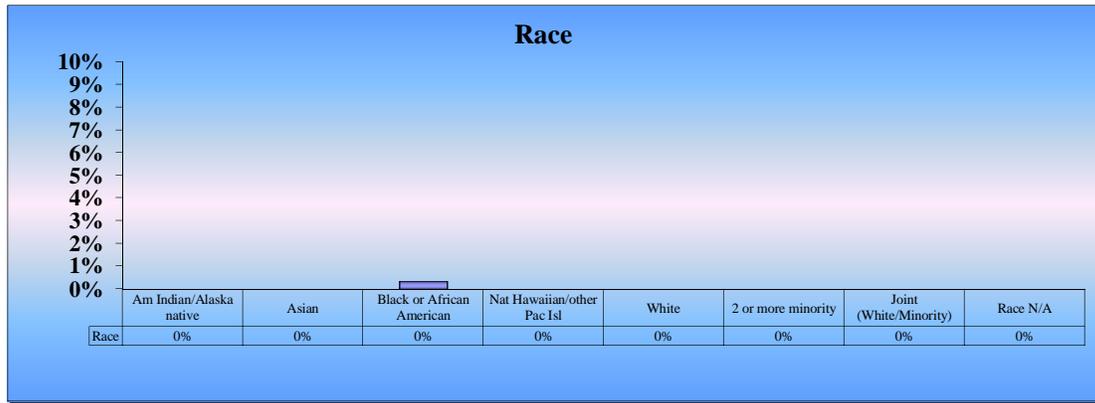
Compared against the MSA Aggregate Total

2010

OneUnited Bank HMDA Mortgage Lending

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
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Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	3	0%	1	0%	0	0%	1	0%	0	0%	1	2%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
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Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	3	0%	1	0%	0	0%	1	0%	0	0%	1	0%

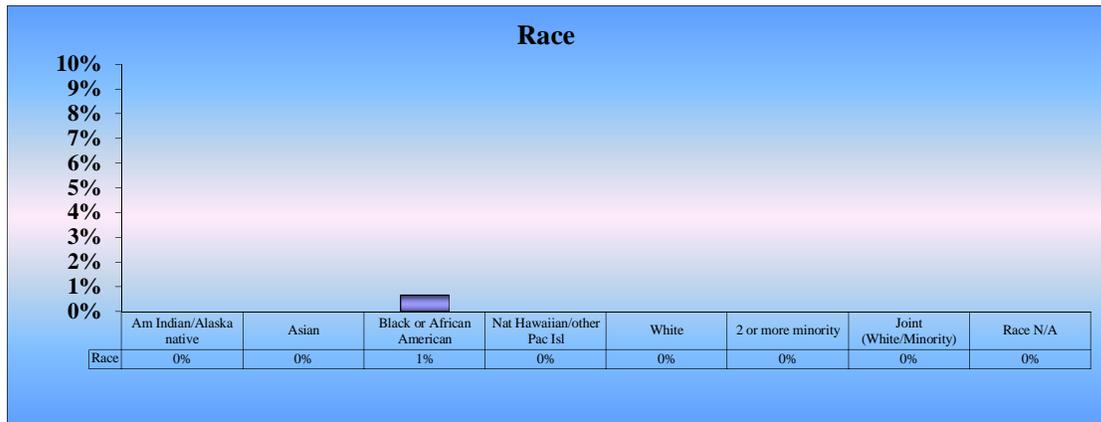
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



OneUnited Bank Low-Income Mortgage Lending

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
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Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	1	1%	0	0%	0	0%	1	2%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	1	0%	0	0%	0	0%	1	0%	0	0%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Sovereign Bank



CRA Community Development Managing Director

John V. Killen
1130 Berkshire Boulevard
Wyomissing, PA 19610
267-256-8601

Sovereign Bank Overview

Sovereign Bank
1130 Berkshire Boulevard
Wyomissing, PA 19610

Description

Sovereign Bank is a \$72.3 billion federally chartered, stock savings bank headquartered in Wyomissing, Pennsylvania. Sovereign was acquired by Banco Santander, S.A. in January 2009. Banco Santander is the largest bank in the euro zone and among the largest in the world, with \$1.2 trillion in deposits and funds under management.

Sovereign Bank is the 22nd-largest bank in the United States, with principal markets in the northeast United States. The bank has over 700 branches, 2,300 ATMs, 7,700 employees, and 1.7 million customers. Sovereign offers an expansive array of financial products and services to individuals, businesses, government/municipalities, and institutional entities. Many of the bank’s loan products are designed to improve access to credit for low- and moderate-income borrowers.

Sovereign Bank has offices in Pennsylvania, New Jersey, New York, New Hampshire, Massachusetts, Connecticut, Rhode Island, and Maryland. In 2011, the bank announced that it intends to move its corporate headquarters to Boston, and change its name to Santander Bank.

Principal Officers

President & CEO, Sovereign Bancorp

Jorge Morán
1130 Berkshire Boulevard
Wyomissing, PA 19610
267-256-8601

CFO

Kirk W. Walters
1130 Berkshire Boulevard
Wyomissing, PA 19610
267-256-8601

Employees

Number of Employees	7,785 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	722
Branches in Boston	33
Number of ATMs	2,359
Number of Free-Standing ATMs	1,637

CRA Rating

Rating Agency	OTS
Most Recent Rating	2010
Overall Rating	OUTSTANDING²
Lending Test Rating	OUTSTANDING
Investment Test Rating	HIGH
Service Test Rating	SATISFACTORY
	OUTSTANDING

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by OTS, published 2010.



Discussion

Overall rating: OUTSTANDING³

Lending Test

Lending Test Rating: OUTSTANDING⁴

General Responsiveness to Credit Needs

Sovereign Bank’s Lending Test rating is Outstanding. The bank extended a large volume of HMDA loans in its national footprint. Sovereign was ranked 8th in 2008 and 4th in 2009 in lending market share in the markets where the bank operates. Sovereign also extended a substantial volume of small business loans in its national assessment areas, despite competition from large commercial banks operating in many of the same markets.

The Boston MSA received 40% of the bank’s total HMDA lending 2008-2010, and 40% of Sovereign’s small business lending over the same period. Sovereign was the 4th leading mortgage originator in the Boston MSA in 2009, with 11,627 loans totaling \$2.7 billion; its 2010 lending volume was comparable.

Responsiveness to Low- and Moderate-Income Credit Needs

Sovereign’s overall lending to low- and moderate-income borrowers outperformed the aggregate by a substantial margin in 2008 and 2009, with a slight decline in 2010. Sovereign outperformed aggregate HMDA reporters in lending in low- and moderate-income geographies by a small margin in 2009 and 2010. The bank outperformed the aggregate lenders in small business lending in low- and moderate-income geographies by a substantial margin in 2008, 2009, and 2010.⁵

In Boston, Sovereign Bank also showed solid penetration into the low- and moderate-income borrower market. Sovereign’s Boston MSA lending to both low- and moderate-income borrowers exceeded that of aggregate lenders by a good margin each year 2008-2010. The bank’s

low- and moderate-income mortgage lending declined slightly in 2010, but remained at a solid level: the bank originated 5.5% of loans to low-income borrowers, and 17.2% to moderate-income borrowers, in 2010.⁶

These positive results are partially attributable to the bank’s extensive involvement in affordable mortgage products. Sovereign Bank is involved in most state housing agency programs, federal guaranteed/subsidized programs, and both internal and secondary market affordable mortgage programs.

Leadership in Community-Development Loans

Sovereign Bank provides a high level of community-development loans across the bank’s national footprint. These loans provide or further enable affordable housing for lower-income residents, services targeted to lower-income individuals and families, financing for small businesses, or the stabilization or revitalization of areas in need of economic development.

Sovereign originated 297 community development loans providing over \$669.3 million in credit during the CRA review period, 2008-2010. This level of lending exceeded that of larger similarly situated banks. In Boston over the same period, the bank extended 49 community-development loans totaling \$86.6 million.

Sovereign’s commitment to community-development lending in Boston is strong. The Boston MSA is responsible for 40 percent of all HMDA reportable lending, 40 percent of reportable small business lending, and 36 percent of branches. Commercial-type community-development lending activity was consistent with overall area activity. Sovereign’s multi-family lending was significantly below overall area activity, especially in 2009, but the bank’s multi-family community-development lending rebounded in 2010.⁷

³ Based on most recent CRA Performance Evaluation by OTS published 2010.

⁴ Based on most recent CRA Performance Evaluation by OTS published 2010.

⁵ Based on most recent CRA Performance Evaluation by OTS published 2010.

⁶ Ibid.

⁷ Ibid.



Innovative and Flexible Lending Practices

Sovereign Bank has a solid record of lending under a variety of innovative and flexible lending products that target residents and businesses most in need. The bank developed a number of innovative/flexible products in response to specific needs in various markets.⁸

In 2010, the bank originated \$40.3 million of affordable home mortgage loans in Massachusetts.⁹

On May 24, 2010, Mass Housing recognized Sovereign during their annual awards ceremony for being the top originator of Mass Housing home improvement loans in 2009.

Sovereign participates in a number of other loan programs that primarily serve credit needs other than strictly residential mortgage or small business. In Boston, these programs include the Massachusetts Home Front Loan Program, which provides affordable loans to members of the National Guard and Reserves mobilized for active duty, and the Massachusetts Assistive Technology Loan Program, which provides low-cost loans to people with disabilities to buy assistive technology devices and services.¹⁰

Sovereign instituted its Flood Disaster Relief Program in April 2010, which provided loans to small businesses and consumers impacted by spring flooding in the northeast. The program was available in seven Massachusetts and five Rhode Island counties, ran for six months, and generated 23 loans totaling over \$275,000.¹¹

Investment Test

Investment Test Rating:
HIGH SATISFACTORY¹²

Sovereign's Investment Test rating is High

⁸ Based on most recent CRA Performance Evaluation by OTS published 2010.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Based on most recent CRA Performance Evaluation by OTS published 2010.

Satisfactory for its national activities, and Outstanding for its Boston MSA community-development investment activities. In Boston, Sovereign Bank originated a high level of community development loans during the review period, and has an exemplary record of lending under various innovative and flexible lending products that target residents and businesses most in need.¹³

During the period 2008-2010, Sovereign Bank extended \$65.4 million nation-wide in qualified traditional community-development investments through the purchase of \$17.0 million in low income housing tax credits (LIHTC) and \$48.4 million in new markets tax credits (NMTC). The bank invested a total of \$248 million of these tax credits during the previous three-year review period (2005-2007); its 2008-2010 investment levels reflect a decrease of approximately 56%. Despite this significant decline, the \$65.4 million in new investments still represents a substantial level of community-development funds provided for community needs.¹⁴

Of this \$65.4 million in qualified traditional community-development investments, \$22.5 million or 34.5% is directly allocated to the Boston MSA. The dollar level of traditional community-development activity compares favorably to Sovereign's peers, and the nature of the traditional investments reflects a strong commitment to qualified community-development investments in Boston.¹⁵

Community Development Grants and Donations

Sovereign Bank also extended a substantial level of charitable donations for community-development qualified activities. Qualified community-development donations totaled approximately \$7.5 million in 2009-2010. In Massachusetts, however, the level of qualified community-development activities was lower than expected, based on the distribution of overall lending levels and branch presence in the state.¹⁶

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Based on most recent CRA Performance Evaluation by OTS published 2010.



Contributions to qualified organizations in the Boston MSA totaled \$2.1 million over 2008-2010, or 15.2 percent of the bank’s total national contributions. This allocation of contributions reflects a reasonable effort in the Boston MSA. The recipients of these donations support a broad range of community development services including affordable housing development, residential facilities for low-income physically-challenged residents, food pantries, homeless services, and homeownership counseling.¹⁷

In Boston, Sovereign’s Community Development Contributions included donations to:

- Massachusetts Affordable Housing Alliance
- Salvation Army
- Neighborhood of Affordable Housing
- Urban Edge
- Habitat for Humanity
- Allston Brighton CDC
- Fenway CDC
- Rosie’s Place
- Four Corners Main Street
- Massachusetts Housing Partnership

Service Test

Service Test Rating: OUTSTANDING¹⁸

Sovereign Bank’s Service Test rating is Outstanding.

Retail Services

Sovereign provides a broad range of traditional thrift deposit services and loan products targeted to consumers, businesses, and municipalities throughout its branch delivery system. A full menu of checking, savings, certificates of deposit, and retirement accounts are available throughout the Boston MSA through the bank’s extensive branch network and alternative access methods.¹⁹

Sovereign offers a basic checking account, the “Classic Checking,” that features a \$5 monthly fee when a \$500 average daily balance is not met. This product compares reasonably well with other similar products that provide lower-income individuals a means to conduct routine periodic transactions.

Banking offices feature various customer conveniences, including Saturday hours, speech recognition ATMs, drive-up and walk-up windows, and night depositories. The services offered at each branch are generally consistent and do not vary in a way that would be inconvenient to residents of the assessment area. Alternate service and product delivery systems include on-line banking, bank-by-mail, and telephone banking.

Community-Development Services

Sovereign Bank displayed strong performance in providing community-development services in the Boston MSA. Sovereign Bank is actively involved with a number community-development activities. These include assisting organizations involved in providing community services to low- and moderate-income individuals, affordable housing, and economic development of lower-income areas.²⁰

During the review period, the bank was responsive to a number of community development needs by providing financial and technical assistance to development organizations in Boston. Sovereign has partnered with local organizations to focus on educational programs to improve financial literacy. The qualified community-development activities in which the bank participated include:

- “The Earned Income Tax Credit” program, which assists low- and moderate-income taxpayers by providing free tax preparation assistance and financial management education.
- 3,477 active Interest on Lawyers’ Trust Accounts as of 2010 in Massachusetts, New Hampshire, and Rhode Island. Over \$2.2 million in interest on IOLTA accounts was remitted to the three states in 2010 to provide legal assistance to needy individuals.

¹⁷ Ibid.

¹⁸ Based on most recent CRA Performance Evaluation by OTS published 2010.

¹⁹ Ibid.

²⁰ Based on most recent CRA Performance Evaluation by OTS published 2010.



- IDA and FSA accounts, which are designed to help low- and moderate-income families by matching their savings and restricting withdrawals to permitted purposes only, such as down payments. Of 97 such accounts, 20 are in the Boston MSA.

The overall level of commitment shown by the bank in support of community-development activities by employee and officer involvement is excellent. Sovereign employees contributed more than 43,000 hours of time over the review period to community service agencies and organizations.²¹

In December 2007, Sovereign joined with four other New England financial institutions to create the Mortgage Relief Fund, which was designed to aid homeowners affected by the mortgage crisis. The five institutions committed \$125 million to the program. This program helps qualified homeowners refinance their high-APR loans to lower-APR loan products.²²

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
6 Francis St., Boston, MA 02115-6125	✓	✓
2 S Station Concourse, Boston, MA 02110	✓	✓
585 Columbia Rd., Dorchester, MA 02125-2317	✓	✓
3060 Washington St., Boston, MA 02119-1229	✓	✓
521 Tremont St., Boston, MA 02116-6306	✓	✓
860 River St., Boston, MA 02136-3715	✓	✓
330 Martin Luther King Blvd., Roxbury, MA 02119-1868	✓	✓
75 State St., Boston, MA 02109-1827	✓	✓
1 Beacon St., Boston, MA 02108-3107	✓	✓
1 Federal St., Boston, MA 02110-2012	✓	✓
800 Boylston St., Boston, MA 02199-8001	✓	✓

30 Winter St., Boston, MA 02108-4720	✓	✓
61 Arlington St., Boston, MA 02116-3918	✓	✓
437 Rutherford Ave., Boston, MA 02129-1626	✓	✓
780 Gallivan Blvd., Dorchester, MA 02122-3140	✓	✓
61 Harrison Ave., Boston, MA 02111-1909	✓	✓
1850 Centre St., West Roxbury, MA 02132	✓	✓
100 Oliver St., Boston, MA 02110-2602	✓	✓
279 Massachusetts Ave., Boston, MA 02115-3508	✓	✓
474 W Broadway, South Boston, MA 02127-2216	✓	✓
30 Birmingham Pkwy., Brighton, MA 02135-1114	✓	✓
287 Hanover St., Boston, MA 02113-1822	✓	✓
125 Causeway St., Boston, MA 02114-1304	✓	✓
415 Market St., Brighton, MA 02135-2715	✓	✓
552 Commonwealth Ave., Boston, MA 02215-2606	✓	✓
43 Kneeland St., Boston, MA 02111-1512	✓	✓
67 Beacon St., Boston, MA 02108-3422	✓	✓
2 Meridian St., East Boston, MA 02128-1963	✓	✓
171 Harvard St., Allston, MA 02134-1003	✓	✓
125 Summer St., Boston, MA 02110-1616	✓	✓
200 Seaport Blvd., Boston, MA 02210-2031	✓	✓
1442 Dorchester Ave., Dorchester, MA 02122-2922	✓	✓
575 Boylston St., Boston, MA 02116-3607	✓	✓
FSB: Full Service Branch		

²¹ Ibid.

²² Ibid.



Year-Over-Year at a Glance

HMDA And Low-Income Loans

Since 2007, Sovereign Bank’s HMDA lending has decreased consistently each year, from 778 loans in 2007 to 442 loans in 2009, a decrease of 43%. In 2010, its HMDA lending stabilized despite a decrease in the bank’s HMDA applications.

The bank’s low-income lending increased 37% from 2007 to 2009, though in 2010 its low-income lending dropped by 59%.²³

	2008	2009	2010
HMDA Applications Received	731	622	605
HMDA Loans Originated	478	442	446
Low-Income Applications Received	82	82	53
Low-Income Loans Originated	56	63	26

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low	0.0%	1.5%	2.5%
Moderate	0.0%	1.0%	2.0%
Middle	0.0%	1.0%	1.9%
Upper	0.0%	0.8%	1.5%
Total	0.0%	1.0%	1.9%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low	1.0%	3.6%	7.1%
Moderate	0.0%	4.2%	8.0%
Middle	0.2%	4.0%	6.4%
Upper	0.7%	2.4%	5.1%
Total	0.5%	3.5%	6.6%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for Sovereign Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

²³ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of Thrift Supervision; September 28, 2010.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Banco Santander Annual Report 2010.

U.S. Small Business Association website:
<http://www.sba.gov>

FDIC Institution Directory:
<http://www2.fdic.gov/idasp>

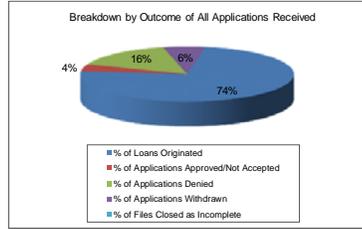
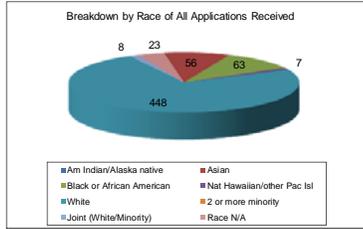
Sovereign Bank website:
<http://www.sovereignbank.com/>

Sovereign Bank HMDA Mortgage Information

2010

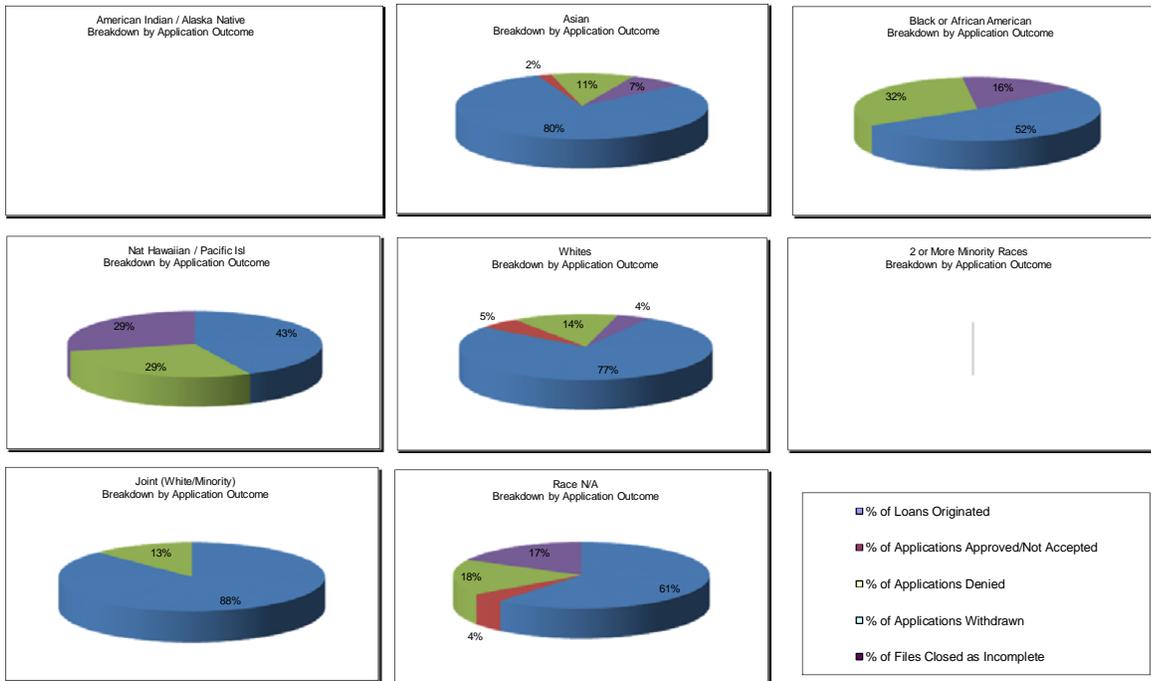
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	56	9%	45	80%	1	2%	6	11%	4	7%	0	0%
Black or African American	63	10%	33	52%	0	0%	20	32%	10	16%	0	0%
Nat Hawaiian/other Pac Isl	7	1%	3	43%	0	0%	2	29%	2	29%	0	0%
White	448	74%	344	77%	24	5%	61	14%	19	4%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	8	1%	7	88%	0	0%	1	13%	0	0%	0	0%
Race N/A	23	4%	14	61%	1	4%	4	17%	4	17%	0	0%
Total	605	100%	446	74%	26	4%	94	16%	39	6%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

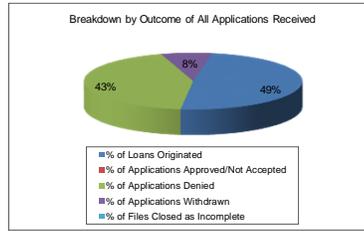
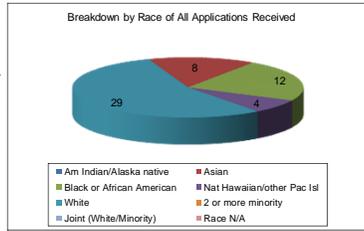


Sovereign Bank Low-Income Mortgage Information

2010

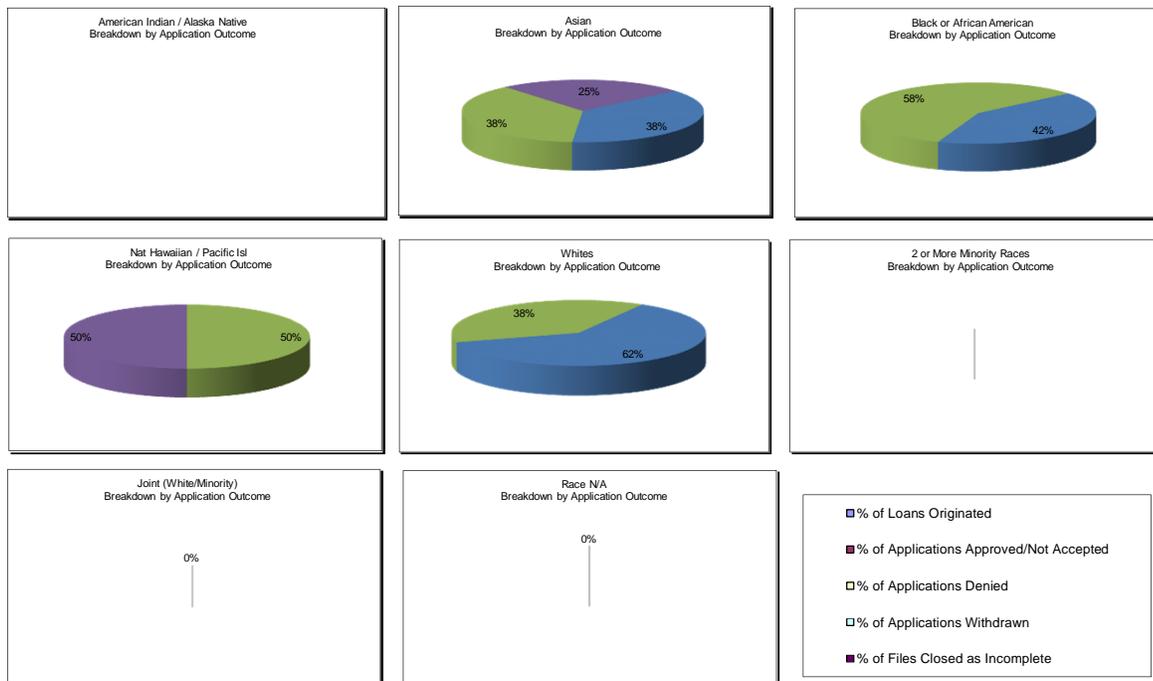
Race	% of Total		% of Loans		% of Applications		% of Applications		% of Applications		% of Files	
	Applications Received	Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	Applications Approved/Not Accepted	Applications Denied	Applications Denied	Applications Withdrawn	Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	8	15%	3	38%	0	0%	3	38%	2	25%	0	0%
Black or African American	12	23%	5	42%	0	0%	7	58%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	4	8%	0	0%	0	0%	2	50%	2	50%	0	0%
White	29	55%	18	62%	0	0%	11	38%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	53	100%	26	49%	0	0%	23	43%	4	8%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



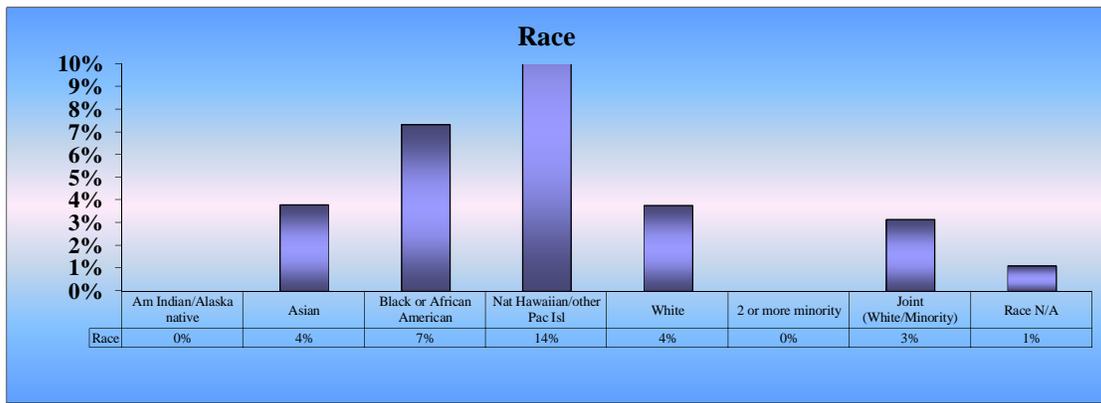
Compared against the MSA Aggregate Total

2010

Sovereign Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	56	4%	45	4%	1	2%	6	3%	4	3%	0	0%
Black or African American	63	7%	33	7%	0	0%	20	10%	10	11%	0	0%
Nat Hawaiian/other Pac Isl	7	14%	3	11%	0	0%	2	15%	2	40%	0	0%
White	448	4%	344	4%	24	4%	61	5%	19	2%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	8	3%	7	4%	0	0%	1	3%	0	0%	0	0%
Race N/A	23	1%	14	1%	1	1%	4	1%	4	2%	0	0%
Total	605	4%	446	4%	26	3%	94	4%	39	2%	0	0%

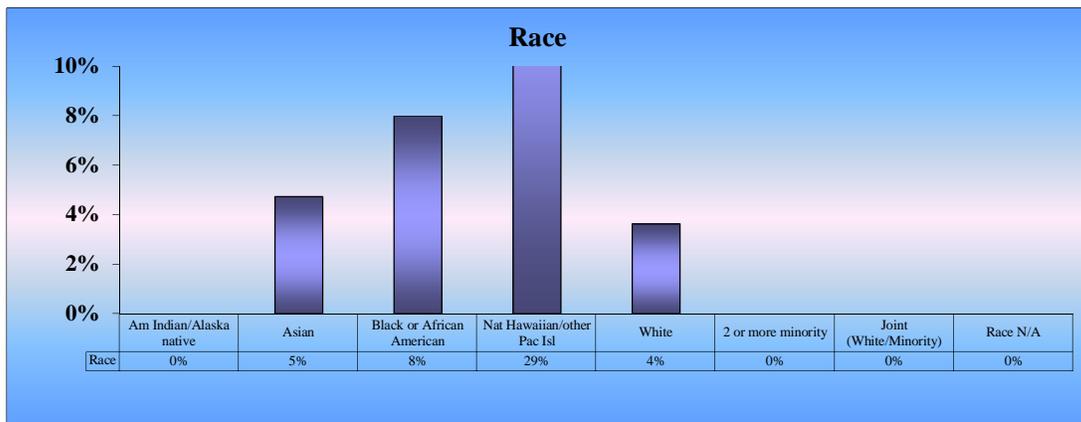
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Sovereign Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	8	5%	3	3%	0	0%	3	6%	2	13%	0	0%
Black or African American	12	8%	5	7%	0	0%	7	13%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	4	29%	0	0%	0	0%	2	22%	2	67%	0	0%
White	29	4%	18	4%	0	0%	11	6%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	53	4%	26	4%	0	0%	23	7%	4	3%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total.
For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





TD Bank



Bank

America's Most Convenient Bank®

TD Bank Overview

TD Bank, N.A.
Two Portland Square
Portland, ME 04112

Description

TD Bank, N.A. is a \$168 billion national bank headquartered in Wilmington, Delaware. The bank is a wholly owned subsidiary of the Toronto-Dominion Bank of Toronto, Canada, which is listed on the New York Stock Exchange and is among the biggest financial services companies in North America.

TD Bank, N.A. is one of the 10 largest banks in the U.S., with more than 20,000 employees and 6.5 million customers. The bank operates over 1,200 retail branches in 15 states.

TD Bank offers banking services and products to individuals, business and governments including commercial and consumer services. Through its Wealth Management Group division, it provides trust and investment management services. TD Bank also operates divisions in government banking, mortgage banking, private banking, asset-based lending and merchant services.

Principal Officers

President & CEO

Bharat B. Masrani
Two Portland Square
Portland, ME 04112
416-982-8578

CFO

Stephen J. Boyle
Two Portland Square
Portland, ME 04112
416-982-8578

Chief Risk Officer

Brian G. Smith
Two Portland Square
Portland, ME 04112
416-982-8578

Employees

Number of Employees	23.616 ³¹¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	1273
Branches in Boston	4
Number of ATMs in Boston	14
Number of Free-Standing ATMs in Boston	10

CRA Rating

Rating Agency	Office of the Comptroller of the Currency
Most Recent Rating	2008

Overall Rating for Boston MSA	OUTSTANDING ³¹²
Lending Test Rating for Boston MSA	OUTSTANDING
Investment Test Rating for Boston MSA	HIGH
Service Test Rating for Boston MSA	HIGH
	SATISFACTORY
	SATISFACTORY

³¹¹ FDIC Institution Directory.

³¹² Based on most recent CRA Performance Evaluation by OCC published 2008.



Discussion

**Overall Rating for Boston MSA:
OUTSTANDING³¹³**

The OCC evaluated both TD Bank’s nationwide activities, and its specific performance in the Boston MSA.

Nationwide, the bank’s rating were identical to its Boston MSA ratings: the bank received a rating of “OUTSTANDING” overall and for its Lending Test, and its Investment and Service Tests were rated “HIGH SATISFACTORY.” The discussion below focuses on the Boston MSA results.

Lending Test

**Lending Test Rating for Boston MSA:
OUTSTANDING³¹⁴**

General Responsiveness to Credit Needs

TD Bank’s performance under the lending test in the Boston MSA is rated “Outstanding”.

The bank’s level of lending activity is considered adequate, considering the bank’s history of growth through small acquisitions in this market and the strong competition for all types of loans in this marketplace. TD Bank achieved excellent geographic distribution of all mortgage loan products across low- and moderate- income geographies.³¹⁵

The bank’s solid performance in originating small business loans when compared to its local bank competitors further supports this conclusion. In 2009, TD Bank was the top Massachusetts SBA Lender in total dollars, having approved \$10 million in SBA loans.³¹⁶ In 2010, the bank’s SBA ranking in Massachusetts dropped to 5th.³¹⁷

³¹³ Based on most recent CRA Performance Evaluation by OCC published 2008.

³¹⁴ Based on most recent CRA Performance Evaluation by OCC published 2008.

³¹⁵ Ibid.

³¹⁶ U.S. Small Business Association website.

³¹⁷ Boston Globe, “Eastern Bank is top SBA lender in Mass.” October 13, 2010.

Responsiveness to Low- and Moderate-Income Credit Needs

TD Bank’s distribution of home mortgage loans by income level of borrower is excellent. The bank’s distribution of home purchase and home refinance loans to moderate-income borrowers significantly exceeds the area demographics. Although the rate of lending to low-income borrowers is below Boston-area demographics, this is not surprising given the inability of many low-income borrowers to qualify for home mortgages in this high-cost area.³¹⁸

Among area banks, TD Bank ranked 7th with respect to overall home mortgage lending, but ranked 5th among low- and moderate-income borrowers. This performance reflects the bank’s particular responsiveness to low- and moderate-income credit needs.

The geographic distribution of home purchase loans by income level of geography is excellent, exceeding the area’s demographics in each loan category. This performance is particularly exceptional in a high-cost area like Boston.³¹⁹

Leadership in Community-Development Loans

TD Bank has very strong record of making responsive community development loans in the Boston MSA.

For the CRA exam period (2005-2007), TD Bank provided 45 community development loans totaling over \$85 million, providing over 1,100 units of affordable housing.³²⁰

The community development loans ranged from infrastructure, acquisition, and/or construction loans, lines of credit for community development corporations, and financing for affordable housing. Many of the bank’s construction loans supported Chapter 40B affordable housing construction, which allows developers to supersede certain community zoning restrictions

³¹⁸ Based on most recent CRA Performance Evaluation by OCC published 2008.

³¹⁹ Ibid.

³²⁰ Ibid.



if the development has affordable housing set-asides.

TD Bank’s primary community development lending partners in Boston include the Massachusetts Housing Investment Corporation, Massachusetts Housing Partnership Fund, and The Housing Partnership.³²¹

In 2009, TD Bank made commitments totaling \$362 million for community development loans and investments in support of the development, maintenance, and preservation of affordable housing.³²² Over the period 2008-2010, the bank originated 113 community development loans nation-wide, representing over \$423 million in funding to help build nearly 4,000 new homes or apartments.³²³

Innovative or Flexible Lending Practices

TD Bank participated in Massachusetts Housing Partnership’s Soft Second Loan Program, a program for first-time homebuyers providing below market interest rates, low down-payment requirements, no points, reduced closing costs, and waiver of mortgage insurance. During the exam period, TD Bank originated more than \$31.3 million to first-time homebuyers across Massachusetts under the Soft Second Loan Program.³²⁴

TD Bank, with four other banks, partnered with the Federal Reserve Bank of Boston to establish the Mortgage Relief Fund—one of the first pools set up to assist homeowners to refinance their subprime mortgages into a conventional product.

Investment Test

Investment Test Rating for Boston MSA: HIGH SATISFACTORY³²⁵

³²¹ Ibid.

³²² TD Bank website.

³²³ TD Bank 2010 United States Corporate Responsibility Snapshot.

³²⁴ Based on most recent CRA Performance Evaluation by OCC published 2008.

³²⁵ Based on most recent CRA Performance Evaluation by OCC published 2008.

TD Bank’s performance under the investment test in the Boston MSA is rated “High Satisfactory.” The bank made a good level of community development investments responsive to identified credit needs.³²⁶

Nearly all of the bank’s investments and grants are associated with affordable housing for low- and moderate-income individuals as well as economic development, which showed excellent responsiveness to local needs.

In 2009, TD Bank committed \$238 million in affordable housing low-income housing tax credit investments throughout its footprint to support the development of 42 properties and 3,400 units of low-income housing. This included a \$3.3 million equity investment in the School House Kenilworth Williams project in the Dudley Square section of Roxbury, which supports the rehabilitation of two historic buildings and preservation of 37 units of subsidized housing for seniors and disabled adults.³²⁷ In 2010, the bank invested \$240 million in low-income housing tax credits to support 26 housing projects for families, individuals, and elderly residents.³²⁸

The TD Bank Charitable Foundation is the charitable giving arm of TD Bank. All CRA-qualified grants are issued through the Foundation. The Foundation’s activities focus on affordable housing, education and financial literacy, and the environment. The Foundation contributed more than \$13 million to local community initiatives in 2010, including \$2.5 million for affordable housing and \$3.5 million for financial literacy and education.³²⁹

In 2006, the Foundation introduced its “*Housing for Everyone*” grant competition in eight states.³³⁰ In 2009, the competition awarded

³²⁶ Ibid.

³²⁷ TD Bank Annual Report 2009, TD Bank website.

³²⁸ TD Bank 2010 United States Corporate Responsibility Snapshot.

³²⁹ TD Bank website.

³³⁰ Based on most recent CRA Performance Evaluation by OCC published 2008.



\$250,000 to Massachusetts organizations, including Chelsea Neighborhood Developers, Coalition for a Better Acre, HAP Housing, and Lawrence Community Works.³³¹

TD Bank Charitable Foundation's *Non-Profit Training Resource Fund* was launched in December 2007. This unique program awards \$100 thousand annually to non-profit organizations with funding for educational, training, and learning opportunities for their employees. Eligible organizations must be a 501(c)(3) and have a focus of either affordable housing or small-business economic development.³³² Between 2008 and 2010, the bank made 290 grants totaling \$252,000 through the program.³³³

Service Test

Service Test Rating for Boston MSA: HIGH SATISFACTORY³³⁴

The bank's performance under the service test in the Boston MSA is rated "High Satisfactory."³³⁵

Description of Service-Delivery Systems

TD Bank's delivery systems are reasonably accessible to geographies and individuals of different income levels. The hours and services offered throughout the Boston MSA are good. Services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offered extended hours on various days of the week including Saturday hours.³³⁶

³³¹ TD Bank website.

³³² Based on most recent CRA Performance Evaluation by OCC published 2008.

³³³ TD Bank 2010 United States Corporate Responsibility Snapshot.

³³⁴ Based on most recent CRA Performance Evaluation by OCC published 2008.

³³⁵ Ibid.

³³⁶ Ibid.

Community Development Services

TD Bank provides an excellent level of community development services enhancing the overall service test rating.³³⁷

TD Bank has demonstrated an excellent level of providing financial expertise to homebuyers and small businesses, and in providing financial services to community development partners. The bank's proactive approach had a positive impact on the service test performance.

In 2010, TD Bank participated in 256 homebuyer mortgage seminars, with 4,000 participants learning about applying for a mortgage, the loan closing process and post-purchase maintenance to protect their housing investment.³³⁸

TD Bank's primary community development service partners in the Boston MSA were Lawrence CommunityWorks, SCORE, The Housing Partnership, Gloucester Housing Authority, Merrimack Valley Housing Partnership and the Salem Harbor CDC.³³⁹

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
75 Federal Street Boston, MA 02110	✓	✓
15 Broad Street Boston, MA 02109	✓	✓
535 Boylston Street Boston, MA 02116	✓	✓
24 Winter Street Boston, MA 02108	✓	✓
1 Fleetcenter Place Boston, MA 02114	✓	
126 Causeway Street North Station East Boston, MA 02114	✓	
126 Causeway Street North Station West Boston, MA 02114	✓	

³³⁷ Ibid.

³³⁸ TD Bank 2010 United States Corporate Responsibility Snapshot.

³³⁹ Based on most recent CRA Performance Evaluation by OCC published 2008.



- 126 Causeway Street ✓
North Station Gate 10 R
Boston, MA 02114
 - 126 Causeway Street ✓
North Station Gate 10 L
Boston, MA 02114
 - Airport Access Road & ✓
Porter Street (MBTA/Logan
Airport-Cross Tracks)
Boston, MA 02128
 - Airport Access Road & ✓
Porter Street (MBTA/Logan
Airport-Brick Wall)
Boston, MA 02128
 - Airport Access Road & ✓
Porter Street (MBTA/Logan
Airport-Ticketing)
Boston, MA 02128
 - 700 Atlantic Avenue ✓
(MBTA/South Station-
Staircase)
Boston, MA 02111
 - 700 Atlantic Avenue ✓
(MBTA/South Station)
Boston, MA 02111
- FSB: Full Service Branch

Year-Over-Year at a Glance
HMDA And Low-Income Loans

TD Bank originated a high volume of HMDA-reportable mortgage loans in 2009 and 2010. Its low-income HMDA lending levels were very low, but in keeping with the number of applications received. 2008 HMDA lending data was not available.³⁴⁰

	2008	2009	2010
HMDA Applications Received		233	199
HMDA Loans Originated		135	115
Low-Income Applications Received		10	11
Low-Income Loans Originated		4	3

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low		1.7%	1.2%
Moderate		1.6%	1.3%
Middle		1.2%	0.5%
Upper		1.1%	0.9%
Total		1.4%	1.0%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low		4.7%	2.9%
Moderate		4.9%	3.1%
Middle		3.7%	0.8%
Upper		3.0%	1.3%
Total		4.0%	2.0%

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans for details on small business loans. The small business loan activity for TD Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum The 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

³⁴⁰ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency, December 8, 2008.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

TD Bank Annual Reports, 2009 and 2010.

TD Bank 2010 United States Corporate Responsibility Snapshot.

FDIC Institution Directory

<http://www2.fdic.gov/idas/main.asp>

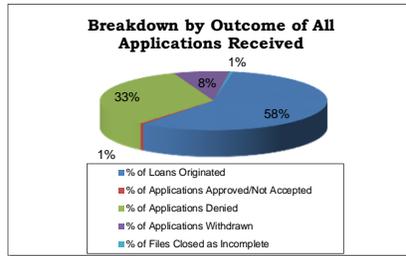
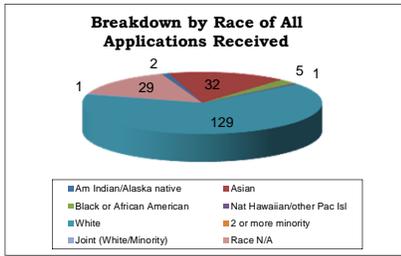
TD Bank website:

<http://www.td.com/>

TD Bank HMDA Mortgage Lending 2010

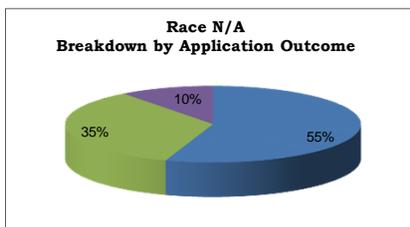
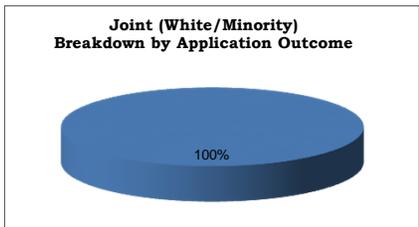
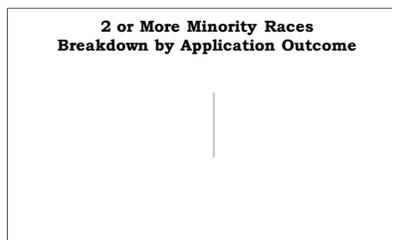
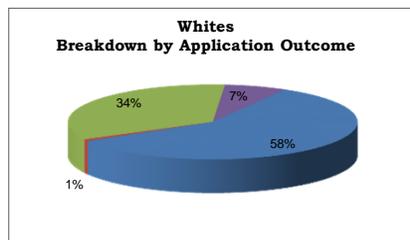
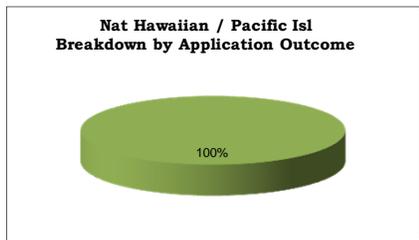
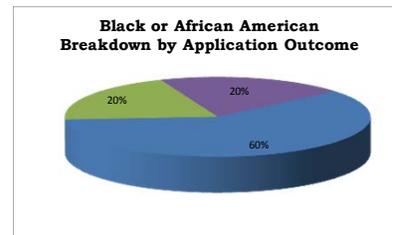
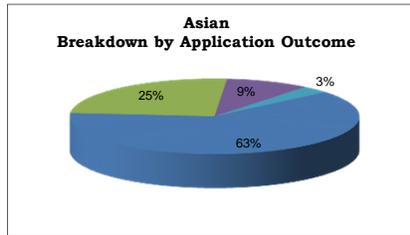
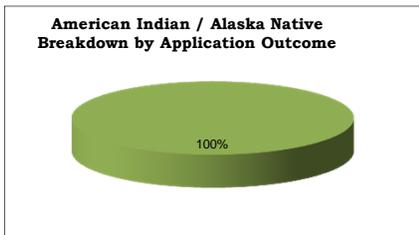
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	2	1%	0	0%	0	0%	2	100%	0	0%	0	0%
Asian	32	16%	20	63%	0	0%	8	25%	3	9%	1	3%
Black or African American	5	3%	3	60%	0	0%	1	20%	1	20%	0	0%
Nat Hawaiian/other Pac Isl	1	1%	0	0%	0	0%	1	100%	0	0%	0	0%
White	129	65%	75	58%	1	1%	44	34%	9	7%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	1%	1	100%	0	0%	0	0%	0	0%	0	0%
Race N/A	29	15%	16	55%	0	0%	10	34%	3	10%	0	0%
Total	199	100%	115	58%	1	1%	66	33%	16	8%	1	1%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

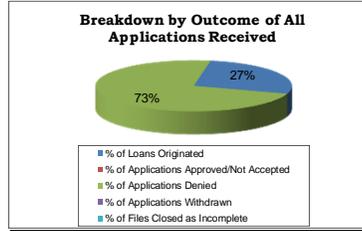
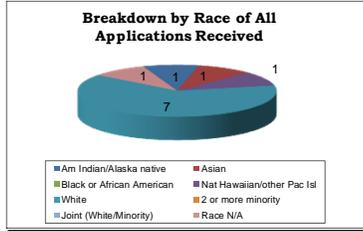


- % of Loans Originated
- % of Applications Approved/Not Accepted
- % of Applications Denied
- % of Applications Withdrawn
- % of Files Closed as Incomplete

TD Bank Low-Income Mortgage Lending 2010

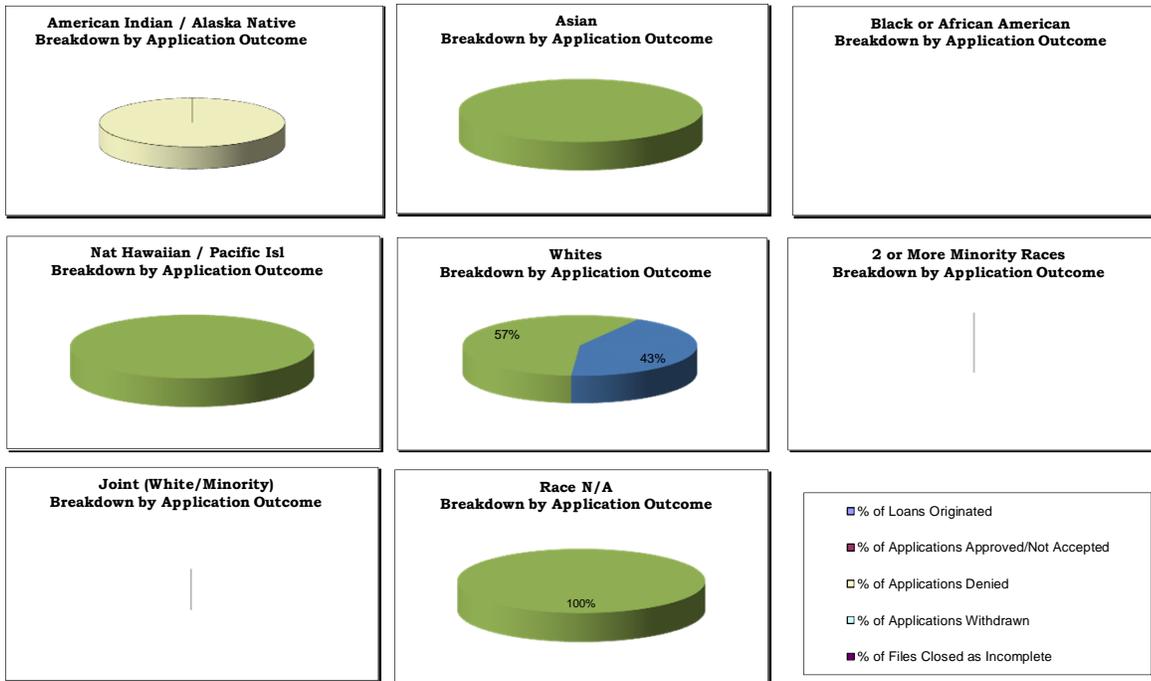
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	1	9%	0	0%	0	0%	1	100%	0	0%	0
Asian	1	9%	0	0%	0	0%	1	100%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	1	9%	0	0%	0	0%	1	100%	0	0%	0	0%
White	7	64%	3	43%	0	0%	4	57%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	1	9%	0	0%	0	0%	1	100%	0	0%	0	0%
Total	11	100%	3	27%	0	0%	8	73%	0	0%	0	0%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



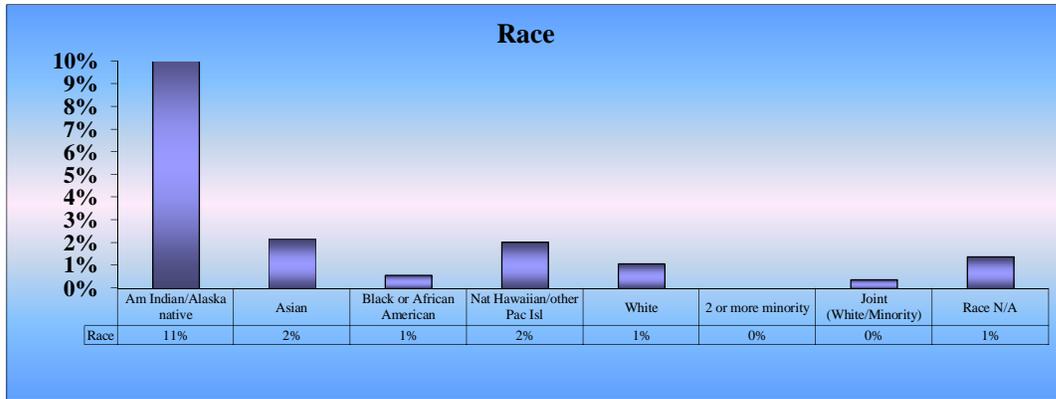
Compared against the MSA Aggregate Total

2010

TD Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	2	11%	0	0%	0	0%	2	22%	0	0%	0	0%
Asian	32	2%	20	2%	0	0%	8	3%	3	2%	1	3%
Black or African American	5	1%	3	1%	0	0%	1	0%	1	1%	0	0%
Nat Hawaiian/other Pac Isl	1	2%	0	0%	0	0%	1	8%	0	0%	0	0%
White	129	1%	75	1%	1	0%	44	3%	9	1%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	1	0%	1	1%	0	0%	0	0%	0	0%	0	0%
Race N/A	29	1%	16	1%	0	0%	10	4%	3	1%	0	0%
Total	199	1%	115	1%	1	0%	66	3%	16	1%	1	0%

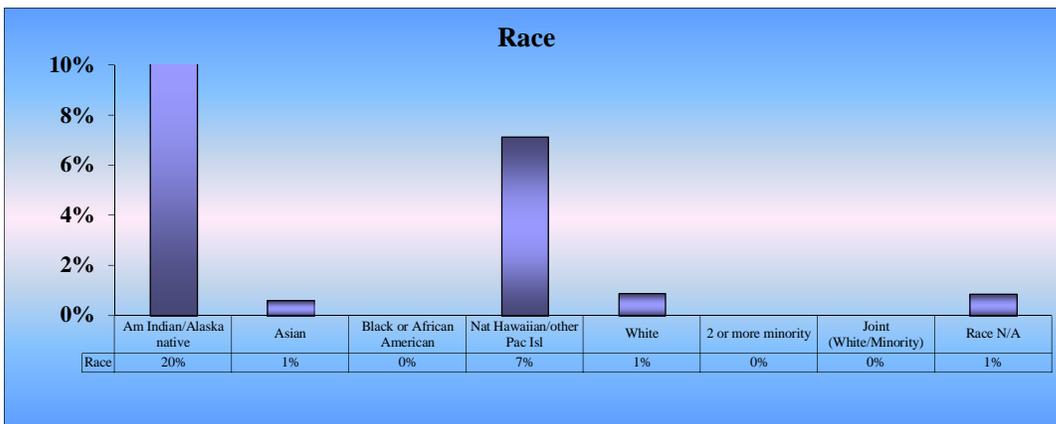
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



TD Bank Low-Income Mortgage Information

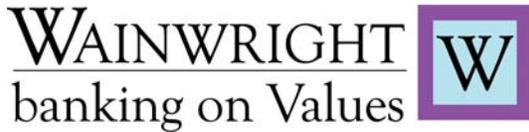
Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	1	20%	0	0%	0	0%	1	33%	0	0%	0	0%
Asian	1	1%	0	0%	0	0%	1	2%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	1	7%	0	0%	0	0%	1	11%	0	0%	0	0%
White	7	1%	3	1%	0	0%	4	2%	0	0%	0	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	1	1%	0	0%	0	0%	1	3%	0	0%	0	0%
Total	11	1%	3	0%	0	0%	8	2%	0	0%	0	0%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Wainwright Bank & Trust



Chief Compliance Officer

Eric C. Cioffi
63 Franklin Street
Boston, MA 02110
617-478-4000

Wainwright Bank Overview

Wainwright Bank & Trust
63 Franklin Street
Boston, MA 02110

Description

Wainwright Bank & Trust Company is a \$1.1 billion state-chartered, investor-owned bank, headquartered in Boston. Wainwright Bank operates eleven full-service branches and has made socially responsible banking a significant part of its brand image.

Loans account for 76.5% of the bank's total assets. The bank's asset size has grown over 30% since 2005; the majority of this growth has been invested in loans.

The bank is primarily a residential mortgage lender, with nearly half of the bank's loan portfolio secured by one- to four-family homes.

In June 2010, Eastern Bank Corporation announced its acquisition of Wainwright Bank & Trust, in a transaction valued at \$163 million. The acquisition was completed at the end of 2010. The combined institution has \$7.6 billion in assets and over 90 retail offices. The most recent CRA evaluation refers to the pre-merger Wainwright Bank.

Principal Officers:

CEO and President

Jan A. Miller
63 Franklin Street
Boston, MA 02110
617-478-4000

CFO

James J. Barrett
63 Franklin Street
Boston, MA 02110
617-478-4000

Employees

Number of Employees	156 ¹
Number of Employees in Massachusetts	156
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	12
Branches Within Boston MSA	3
Number of ATMs	12
Number of Free-Standing ATMs	0

CRA Rating

Rating Agency	FDIC
Most Recent Rating	2008
Overall Rating	OUTSTANDING²
Lending Test Rating	OUTSTANDING
Community Development Test Rating	OUTSTANDING

¹ FDIC Institution Directory

² Based on most recent CRA Performance Evaluation by FDIC published 2008.



Discussion

Overall rating: OUTSTANDING³

Wainwright Bank was evaluated under the FDIC’s revised Intermediate Small Bank CRA procedures, which replace the Lending, Investment, and Service Tests with a Lending Test and a Community Development Test.

Lending Test

Lending Test Rating: OUTSTANDING⁴

General Responsiveness to Credit Needs

Wainwright Bank’s distribution of borrowers, given the demographics of the assessment area, reflects excellent penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. The geographic distribution of loans reflects excellent dispersion throughout the assessment area.

The bank’s average net loan-to-deposit ratio is 107.7%, significantly higher than that of most similar institutions evaluated by the FDIC.⁵ In 2010, the bank’s loan-to-deposit ratio was 105.2%.⁶

In 2009, the Bank’s average residential real estate loans outstanding increased by \$45 million, or 12%, over 2008 levels, reflecting a continuing dedication to home-mortgage lending within the assessment area.⁷

The bank’s percentage of small business lending within its assessment area is also on an increasing trend.⁸

Responsiveness to Low- and Moderate-Income Credit Needs

The distribution of Wainwright Bank’s loans reflects an excellent penetration among the different income categories.

The bank’s overall lending to low-income borrowers was significantly higher than aggregate lenders’ performance. This excellent performance is a reflection of the bank’s efforts in reaching low- and moderate-income borrowers.

The bank has several programs in place to assist low- and moderate-income borrowers with purchasing homes, such as their first-time homebuyers program. The bank also offers affordable mortgage programs, which are geared to low- and moderate-income borrowers.⁹

Community Development Test

Community Development Test Rating: OUTSTANDING¹⁰

General Responsiveness to Community Needs

Wainwright Bank’s community development performance demonstrates an excellent responsiveness to the community development needs in its assessment area through community development lending, qualified investments, and community development services.

The bank is a leader and an innovator in its community development lending efforts; this lending is considered a strength of the institution. The level of the bank’s qualified investments is considered excellent. Additionally, the Bank is actively involved in a wide variety community development organizations and financial education initiatives.

Wainwright’s president Jan Miller was selected in 2009 as one of 15 members of the FDIC’s national Advisory Committee on Community Banking. The Committee will advise the FDIC on a range of policy issues that impact community banks nationwide and the local

³ Based on most recent CRA Performance Evaluation by FDIC published by 2008.

⁴ Ibid.

⁵ Ibid.

⁶ FDIC Institution Directory.

⁷ Wainwright Bank Annual Report 2009.

⁸ Based on most recent CRA Performance Evaluation by FDIC published 2008.

⁹ Ibid.

¹⁰ Ibid.



communities they serve.¹¹

In 2009, the U.S. Treasury recognized the bank's community development lending with a Bank Enterprise Award of \$477,000 from the Treasury's Community Development Financial Institutions Fund. The award recognizes Wainwright's efforts in providing affordable housing development and small business loans within distressed communities. It is very rare for a bank to receive this award in consecutive years; Wainwright Bank has received this award in 10 out of the past 13 years.¹²

Community Development Lending

Wainwright Bank and Trust Company has an excellent number of loans and demonstrates excellent responsiveness to community development needs.

Throughout the evaluation period of May 10, 2005, through May 5, 2008, the Bank made 81 qualified community development loans totaling \$271 million. In 2007, Wainwright Bank made 31 community development loans totaling \$92 million. This represents 13.1 percent of net loans. Sixteen of these community development loans, totaling \$67.7 million, were for affordable housing for low- and moderate-income individuals.¹³

In 2009, the bank made over \$800 million in community development loans in Greater Boston.¹⁴

The bank's community development loans in 2009 included:¹⁵

- A \$2.5 million loan to the Massachusetts Society for the Prevention of Cruelty to Children, one of the oldest child welfare agencies in the United States.

- \$7.5 million in financing to support the redevelopment of two former schools and a convent on the grounds of the Sacred Heart Church in Lawrence. The buildings will be redeveloped as 44 affordable rental units for low-income elderly residents.
- A \$10.6 million loan this past year to Harbor Health Services, Inc.'s Elder Service program. Harbor Health is one of only six health centers in Massachusetts that follow the Program of All Inclusive Care for the Elderly (PACE) model, which emphasizes serving seniors with chronic care needs within the community.
- \$10 million of New Markets Tax Credit allocation, and \$7.4 million of loans to facilitate Hope House's move to new facilities in Roxbury. Hope House is a non-profit that provides clinical treatment, job training, and job placement for recovering alcoholics and substance abusers.

In 2008, the bank formed a partnership with Affirmative Investments, which provides financing and development services to help expand housing opportunities and stimulate economic development that positively impacts low-income people and communities. This partnership was awarded \$25 million in New Market Tax Credits (NMTC) by the US Department of Treasury in 2008. The NMTC program awards tax incentives to private sector investors who provide investment capital to businesses that invest in distressed neighborhoods to create jobs and growth.¹⁶

Qualified Investments & Donations

Wainwright Bank and Trust Company has an excellent level of investments and donations and demonstrates excellent responsiveness to community development needs. The Bank ably identifies the needs of its community and invests a high level of funds to organizations that have community development purposes.

During the evaluation period, the Bank made a total of 9 equity investments totaling \$19,404,051. This represents 13.6 percent of

¹¹ Wainwright Bank Annual Report 2009.

¹² Ibid.

¹³ Based on most recent CRA Performance Evaluation by FDIC published 2008.

¹⁴ Wainwright Bank Annual Report 2009.

¹⁵ Wainwright Bank Annual Report 2009, Wainwright Bank website.

¹⁶ Wainwright Bank Annual Report 2008.



total investments of \$142,398,000 as of March 31, 2008.¹⁷

Significant qualified equity investments on the Bank's books include:

- Ruggles Street Limited Partnership (\$4.2 million commitment)
- Pond Home Assisted Living (\$3.1 million)
- Pine Street Inn (\$4.4 million)
- Wayside Youth & Family Support (\$5.0 million)
- Massachusetts Housing Investment Corporation New Markets Tax Credits (\$5.3 million)

In 2007, the bank made 61 qualified donations totaling \$69.6 million. Of these, 42 (\$55.6 million) were donations to community services targeted to low- and moderate-income individuals. For 2007, the Bank's donations equaled 0.9 percent of pre-tax net operating income.¹⁸

Community Development Services

Wainwright Bank and Trust Company has a good level of qualified community development services demonstrating a good responsiveness to the area's community development needs.¹⁹

During the evaluation period, the Bank's officers and staff members provided financial or technical expertise to several organizations involved in either economic development, initiatives to revitalize low- and moderate-income census tracts, affordable housing or, human services that target low- and moderate-income individuals.

During the evaluation period, officers and employees of the Bank provide and participated in several programs and services related to financial services, including first-time homebuyer seminars and financial education programs.

¹⁷ Based on most recent CRA Performance Evaluation by FDIC published 2008.

¹⁸ Ibid.

¹⁹ Based on most recent CRA Performance Evaluation by FDIC published 2008.

Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
155 Dartmouth Street Boston, MA 02116	✓	✓
687 Centre Street Jamaica Plain, MA 02130	✓	✓
63 Franklin Street Boston, MA 02110	✓	✓
FSB: Full Service Branch		

Year-Over-Year at a Glance

HMDA And Low-Income Loans

Wainwright Bank's HMDA lending has been rising steadily since 2006, from 21 loans in 2006 to 140 in 2009, a seven-fold increase. The bank's low-income lending, after several years of zero originations, also increased in 2009 and 2010.²⁰

	2008	2009	2010
HMDA Applications Received	105	213	221
HMDA Loans Originated	65	113	140
Low-Income Applications Received	2	17	15
Low-Income Loans Originated	0	3	6

Small Business Loans

No 2010 HMDA-reportable small business loan data was available for Wainwright Bank.²¹

Loan Information By Census Tract

Please refer to the addendum City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract for details on loan information by census tract.

²⁰ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

²¹ Ibid.



Source Documents

Community Reinvestment Act Performance Evaluation. Federal Deposit Insurance Corporation; May 5, 2008.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Wainwright Bank Annual Report, 2008 and 2009.

Massachusetts Division of Banks, Summary Information for State Chartered Banks and Credit Unions:

<http://db.state.ma.us/dob/in-choose.asp>

FDIC Institution Directory:

<http://www2.fdic.gov/idasp/main.asp>

Wainwright Bank website:

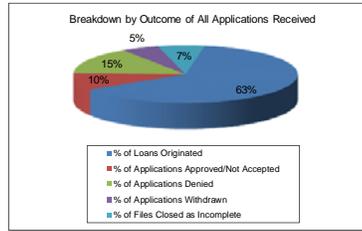
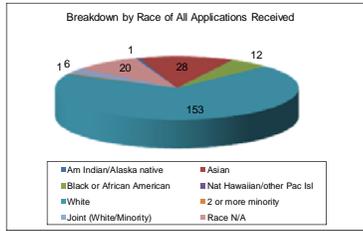
<http://www.wainwrightbank.com/>

Wainwright Bank HMDA Mortgage Information

2010

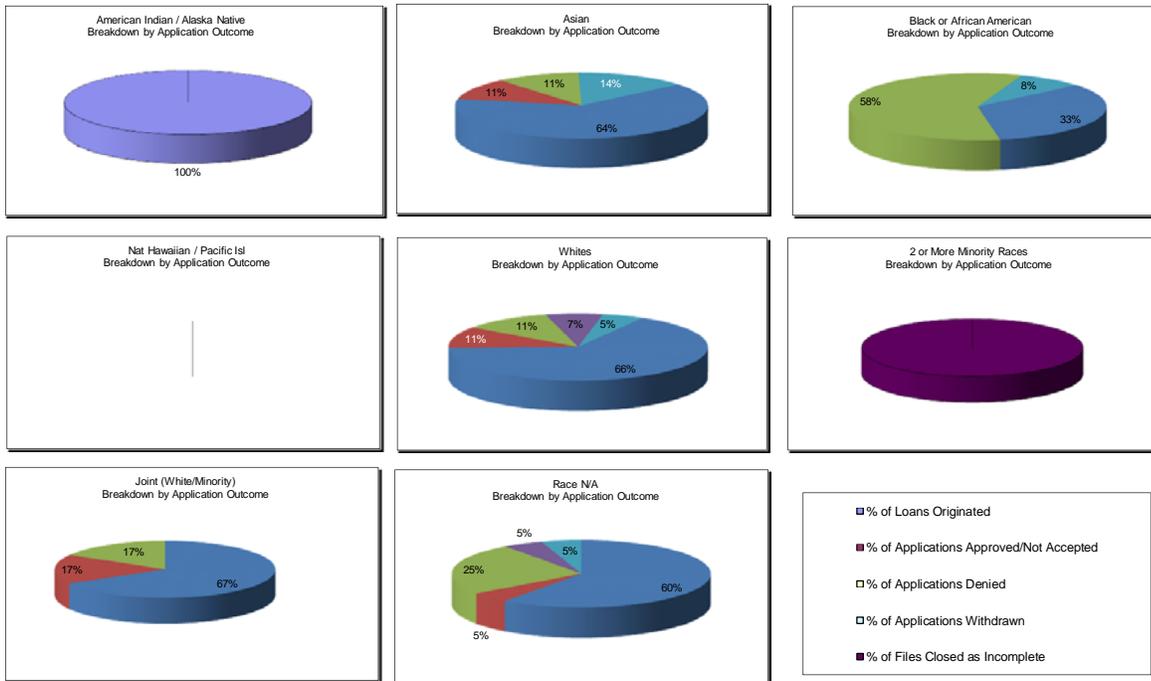
Race	% of Total				% of Applications		% of Applications		% of Applications		% of Files	
	Received	Applications	Loans	% of Loans	Approved/Not Accepted	Approved/Not Accepted	Denied	Denied	Withdrawn	Withdrawn	Files Closed as Incomplete	Closed as Incomplete
Am Indian/Alaska native	1	0%	1	100%	0	0%	0	0%	0	0%	0	0%
Asian	28	13%	18	64%	3	11%	3	11%	0	0%	4	14%
Black or African American	12	5%	4	33%	0	0%	7	58%	0	0%	1	8%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	153	69%	101	66%	16	10%	17	11%	11	7%	8	5%
2 or more minority	1	0%	0	0%	0	0%	0	0%	0	0%	1	100%
Joint (White/Minority)	6	3%	4	67%	1	17%	1	17%	0	0%	0	0%
Race N/A	20	0%	12	60%	1	5%	5	25%	1	5%	1	5%
Total	221	100%	140	63%	21	10%	33	15%	12	5%	15	7%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



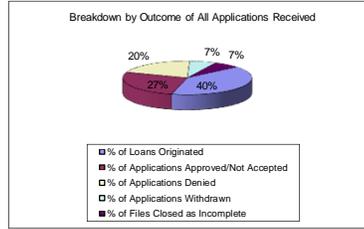
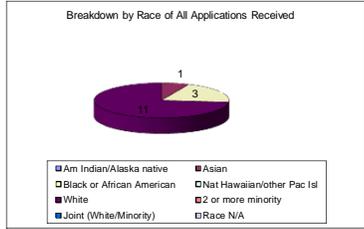
Wainwright Bank Low-Income Mortgage Information

Note: No Data Reported For "Less Than 50% OF MSA/MD Median"

2010

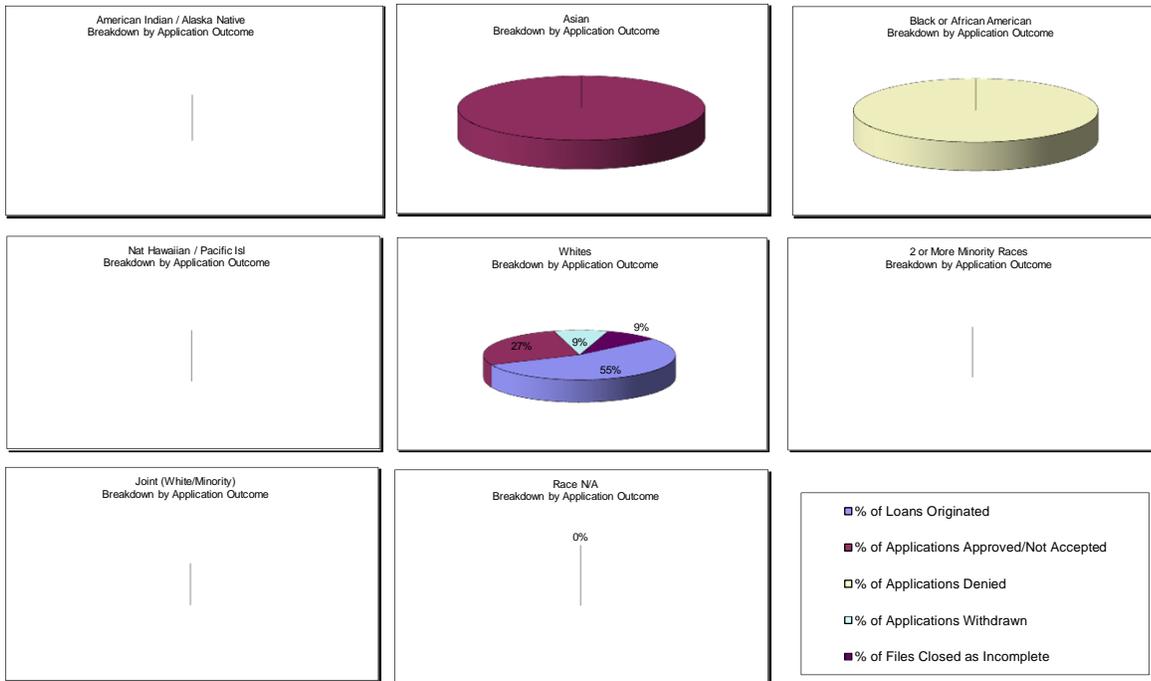
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	1	7%	0	0%	1	100%	0	0%	0	0%	0	0%
Black or African American	3	20%	0	0%	0	0%	3	100%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	11	73%	6	55%	3	27%	0	0%	1	9%	1	9%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	15	100%	6	40%	4	27%	3	20%	1	7%	1	7%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



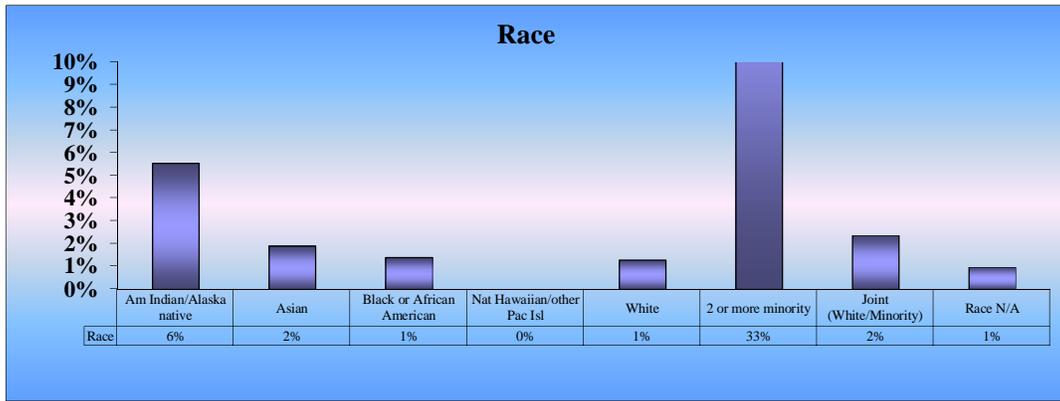
Compared against the MSA Aggregate Total

2010

Wainwright Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	1	6%	1	50%	0	0%	0	0%	0	0%	0	0%
Asian	28	2%	18	2%	3	5%	3	1%	0	0%	4	10%
Black or African American	12	1%	4	1%	0	0%	7	3%	0	0%	1	2%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	153	1%	101	1%	16	3%	17	1%	11	1%	8	4%
2 or more minority	1	33%	0	0%	0	0%	0	0%	0	0%	1	100%
Joint (White/Minority)	6	2%	4	2%	1	8%	1	3%	0	0%	0	0%
Race N/A	20	1%	12	1%	1	1%	5	2%	1	0%	1	1%
Total	221	1%	140	1%	21	3%	33	2%	12	1%	15	4%

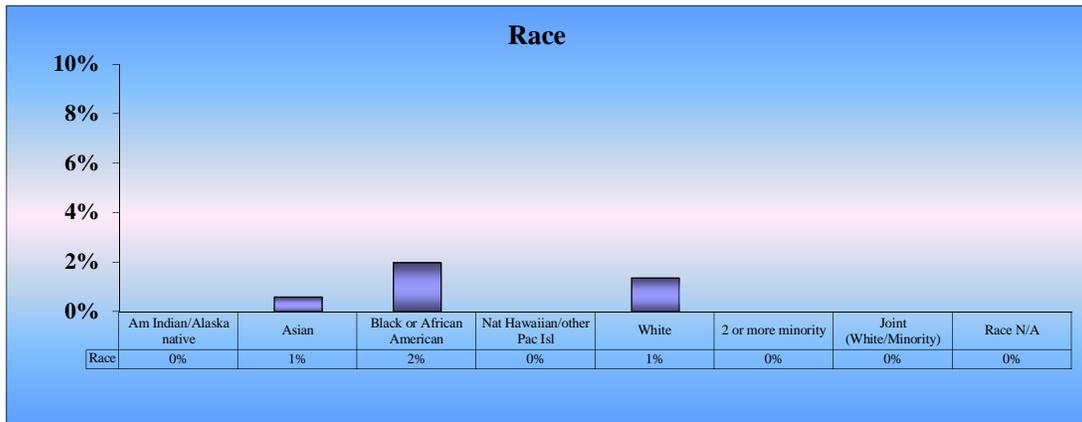
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Wainwright Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	1%	0	0%	1	14%	0	0%	0	0%	0	0%
Black or African American	3	2%	0	0%	0	0%	3	6%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	11	1%	6	1%	3	10%	0	0%	1	1%	1	9%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	15	1%	6	1%	4	9%	3	1%	1	1%	1	4%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Webster Bank



Webster Bank Overview

Webster Bank, N.A.
 Webster Plaza
 Waterbury, CT 06702

Description

Webster Bank, N.A., is a nationally chartered, \$18.0 billion bank headquartered in Waterbury, Connecticut. The bank is the principal subsidiary of Webster Financial Corporation, Inc., a bank holding company organized under the laws of Delaware. Webster Financial Corporation is a Federal Reserve Top 50 bank holding company.

Webster operates 181 branches and 499 ATMs in Connecticut, Rhode Island, Massachusetts, and Westchester County in New York. Its retail banking network services 400,000 customers and small businesses.

Webster’s strategic focus is on retail banking dedicated to and responsive to its local markets. This effort includes new and refinanced housing loans, supporting small business growth, and the development of affordable housing. In 2010, the bank originated \$1.0 billion in residential mortgages, bringing its total residential mortgage portfolio to \$2.9 billion.

In December 2009, the bank opened a flagship office in Boston’s Financial District.

Principal Officers

Chairman, President, and CEO

James C. Smith
 Webster Plaza
 Waterbury, CT 06702
 800-325-2424

CFO

Gerald P. Plush
 Webster Plaza
 Waterbury, CT 06702
 800-325-2424

Regional President, Massachusetts

Bob Twomey
 Webster Plaza
 Waterbury, CT 06702
 800-325-2424

Employees

Number of Employees	2,917 ¹
Number of Employees in Massachusetts	NA
Percentage of Women Employees	NA
Percentage of Minority Employees	NA

Branches

Number of Branches - Total	181
Branches in Boston	1
Number of ATMs - Total	499
Free-Standing ATMs in Boston	11

CRA Rating

Rating Agency	OCC
Most Recent Rating	2006
Overall Rating for Massachusetts	OUTSTANDING ²
Lending Test Rating for Massachusetts	OUTSTANDING
Investment Test Rating for Massachusetts	HIGH SATISFACTORY
Service Test Rating for Massachusetts	OUTSTANDING

¹ FDIC Institution Directory.

² Based on most recent CRA Performance Evaluation by OCC published 2006.



Discussion

**Overall rating for Massachusetts:
OUTSTANDING³**

The OCC evaluated both Webster Bank’s nationwide activities, and its specific performance in Massachusetts.

The bank’s overall performance ratings were lower than its Massachusetts ratings. Overall, the Webster Bank received a rating of “SATISFACTORY.” Its Lending Test and Service Test were rated “HIGH SATISFACTORY,” while its Investment Test was rated “LOW SATISFACTORY.” The discussion below focuses on the Massachusetts results.

Note that the bank’s most recent CRA evaluation by the OCC took place in 2006.

Lending Test

**Lending Test Rating for Massachusetts:
OUTSTANDING⁴**

Webster Bank’s performance under the Lending Test in the state of Massachusetts is rated “Outstanding.” The bank’s lending performance in the Boston MSA is excellent.⁵

General Responsiveness to Credit Needs

Webster Bank’s lending levels reflect good responsiveness to Boston MSA credit needs. The bank’s overall level of lending activity in Boston is good, though its lending market share and rank is less than its deposit share and rank among area banks.⁶

Responsiveness to Low- and Moderate-Income Credit Needs

Webster’s distribution of loans is excellent among borrowers of different income levels. The percentage of home purchase loans made to

moderate-income individuals exceeds the percentage of families defined as such.

The percentage of home purchase loans made to low-income individuals is significantly below the percentage of low-income families, but is considered adequate considering the number of low-income families below the poverty line. The bank’s market share for home purchase loans made to low-income borrowers exceeds its overall market share for home purchase loans.

The bank’s overall geographic distribution of home mortgage loans in the Boston MSA is excellent. The portion of home purchase loans in moderate-income geographies exceeds the percentage of owner-occupied units in those geographies.⁷ The bank’s distribution of home improvement and home refinance loans is also excellent.

Webster Bank’s small business lending distribution is also excellent, both by borrower income level, and geography. Webster Bank’s distribution of small loans to businesses of different revenue sizes is excellent. The percentage of small loans to businesses with revenue of \$1 million or less significantly exceeds the percentage of businesses defined as such.

The bank also does an excellent job lending to businesses in low- and moderate-income geographies. The portion of small business loans made in low-income geographies significantly exceeds the portion of businesses located within those geographies. The bank’s market share for small business loans in both low- and moderate-income geographies exceeds the overall market share.⁸

Leadership in Community-Development Loans

Webster Bank has an excellent level of community development loans in the Boston MSA. During the evaluation period, the bank made four community development loans

³ Based on most recent CRA Performance Evaluation by OCC published 2006.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.



totaling \$23.5 million addressing affordable housing needs.⁹

Innovative or Flexible Lending Practices

Webster Bank makes only limited use of flexible lending practices to serve Boston’s affordable housing needs.¹⁰

Webster Bank participates in the Massachusetts Housing Finance Authority First-Time Homebuyers program. The bank also offers a variety of flexible loan products in conjunction with various government agencies such as the Federal Housing Administration, Federal National Mortgage Association, Government National Mortgage Association and the Veterans Administration. Many of these programs are geared specifically to low- and moderate-income borrowers who do not meet conventional underwriting criteria.¹¹

Investment Test

Investment Test Rating for Massachusetts:
HIGH SATISFACTORY¹²

Webster Bank’s performance under the investment test in Massachusetts is rated High Satisfactory. Based on the full-scope review, the bank’s performance in Boston is good.¹³

Webster Bank has a good level of qualified investments that are responsive to credit and community development needs in the Boston MSA. During the period evaluated by the OCC, the bank made \$9,600 in grants that address affordable housing and community development activities in Massachusetts. In addition, there is a continuing, prior period investment, with a book value of \$600,000 that serves the affordable housing needs of low- and moderate-income families.¹⁴

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Based on most recent CRA Performance Evaluation by OCC published 2006.

¹³ Ibid.

¹⁴ Ibid.

Service Test

Service Test Rating for Massachusetts:
OUTSTANDING¹⁵

Webster’s performance under the Service Test in Massachusetts is rated Outstanding. The bank’s performance in Boston is excellent.

Description of Service-Delivery Systems

Webster Bank’s service delivery systems are readily accessible to geographies and individuals of different income levels.¹⁶

The bank’s record of opening and closing branches has not adversely affected the availability of its delivery systems in Boston.

Webster Bank’s hours and services offered throughout Massachusetts are good. Hours and services offered are comparable among locations regardless of the income level of the geography. Substantially all branch offices offer extended hours on Thursday and Friday. All branches have Saturday office hours. Management sets branch hours based on customer needs and traffic patterns particular to each branch.¹⁷

Community Development Services

Webster’s performance in providing community development services in Boston is adequate. While the services are responsive to community needs, they are routine in nature.¹⁸

In 2010, the bank’s Corporate Giving Program made donations and sponsorships of almost \$4 million dollars annually to over 1,000 community organizations.¹⁹

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Webster Bank Annual Report 2010.



Branch Information

Branch locations in the Boston MSA:

Location	ATM	FSB
100 Franklin St. Boston, MA 02110	✓	✓
1890 Columbus Ave. Roxbury, MA 2119	✓	
2275 Washington St. Roxbury, MA 2119	✓	
416 Warren St. Roxbury, MA 2119	✓	
1603 Washington St. Boston, MA 2118	✓	
1991 Centre St. W Roxbury, MA 2132	✓	
972 American Legion Hwy. Roslindale, MA 2131	✓	
825 Morton St. Boston, MA 2126	✓	
130 Bowdoin St. Dorchester, MA 2122	✓	
583 Washington St. Dorchester, MA 2124	✓	
1 Kelly Sq. East Boston, MA 2128	✓	
757 Gallivan Blvd. Dorchester, MA 2122	✓	
FSB: Full Service Branch		

Year-Over-Year at a Glance

HMDA And Low-Income Loans

Webster Bank made a low number of HMDA loans and low-income HMDA loans in 2009 and 2010. Data for the bank’s 2008 lending is unavailable.²⁰

	2008	2009	2010
HMDA Applications Received		14	26
HMDA Loans Originated		8	15
Low-Income Applications Received		5	3
Low-Income Loans Originated		3	1

Small Business Loans

Below is a year-over-year comparison of small business lending by both number of loans originated and dollar amount as a percentage of all loans within the MSA.

Bank Compared to MSA Aggregate			
Distribution of the Number of Small Business Loans			
	2008	2009	2010
Low		0.0%	0.1%
Moderate		0.0%	0.0%
Middle		0.1%	0.0%
Upper		0.0%	0.1%
Total		0.0%	0.0%

Bank Compared to MSA Aggregate			
Distribution of the Dollar Amount of Small Business Loans			
	2008	2009	2010
Low		0.0%	1.1%
Moderate		0.0%	0.0%
Middle		2.1%	0.0%
Upper		0.0%	0.5%
Total		0.4%	0.4%

Please refer to the addendum [City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Small Business Loans](#) for details on small business loans. The small business loan activity for Webster Bank in the year 2010 is also compared to the 2010 aggregate small business loan activity. The data, divided into categories based on Census Tract Income Level, is compared both in terms of number of loans provided in the year 2010 and the dollar amount of the loans provided. A discussion of the data follows each chart.

Loan Information by Census Tract

Please refer to the addendum [City of Boston 2010 Linked Deposit Banking Report to the Mayor Addendum: Loan Information by Census Tract](#) for details on loan information by census tract.

²⁰ FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.



Source Documents

Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency, May 1, 2006.

FFIEC online HMDA reports, Board of the Governors of the Federal Reserve System; 2010.

City of Boston 2009 Linked Deposit Banking Report to the Mayor, BankIQ; March 2011.

Webster Bank Annual Report 2010.

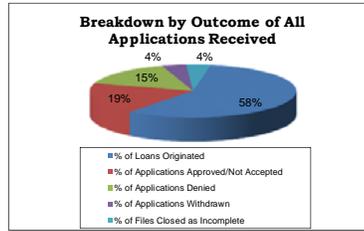
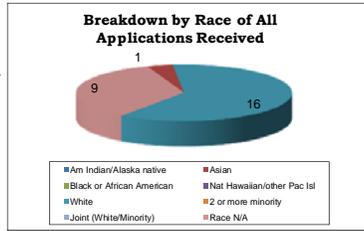
FDIC Institution Directory
<http://www2.fdic.gov/idasp/main.asp>

Webster Bank website:
<http://www.websterbank.com/>

Webster Bank HMDA Mortgage Lending 2010

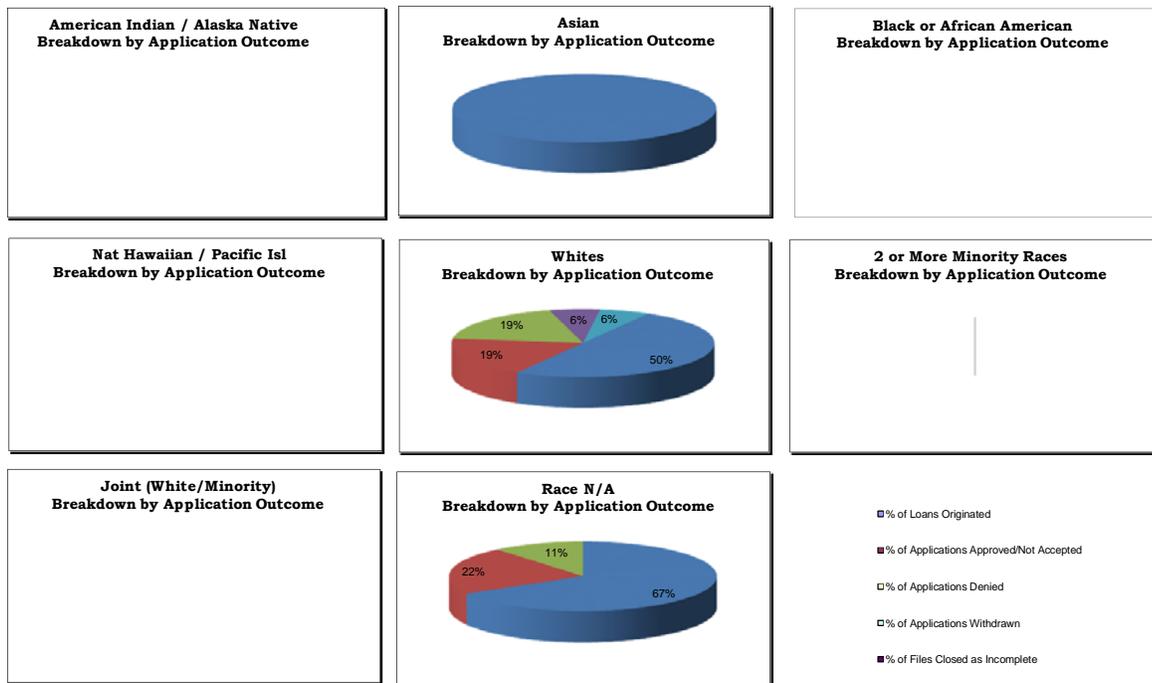
Race	Applications Received	% of Total Applications	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	4%	1	100%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	16	62%	8	50%	3	19%	3	19%	1	6%	1	6%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	9	35%	6	67%	2	22%	1	11%	0	0%	0	0%
Total	26	100%	15	58%	5	19%	4	15%	1	4%	1	4%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

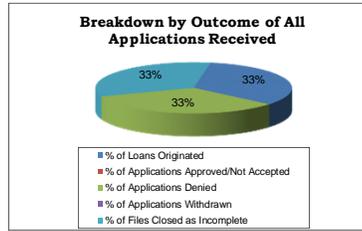
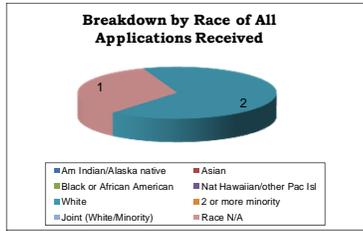
The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



Webster Low-Income Mortgage Lending 2010

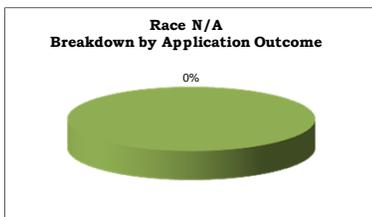
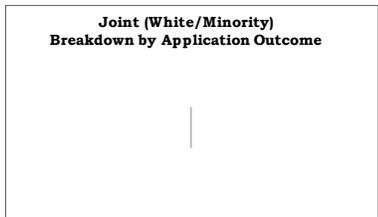
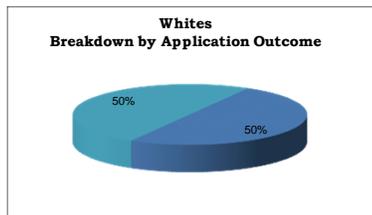
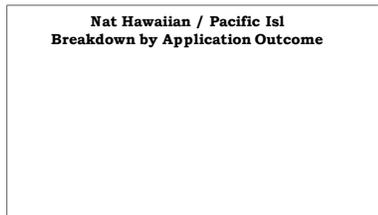
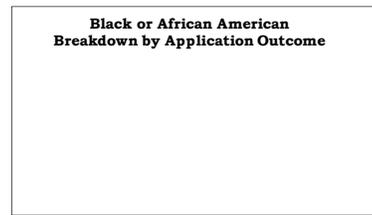
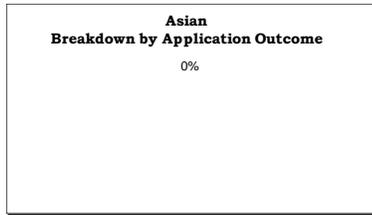
Race	Applications Received	% of Total Applications Received	Loans Originated	% of Loans Originated	Applications Approved/Not Accepted	% of Applications Approved/Not Accepted	Applications Denied	% of Applications Denied	Applications Withdrawn	% of Applications Withdrawn	Files Closed as Incomplete	% of Files Closed as Incomplete
	Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	2	67%	1	50%	0	0%	0	0%	0	0%	1	50%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	1	33%	0	0%	0	0%	1	100%	0	0%	0	0%
Total	3	100%	1	33%	0	0%	1	33%	0	0%	1	33%

The chart at the right is the breakdown by race of all the applications received. For example: the total number of Asian applications are highlighted in blue, the total number of Black applications are highlighted in red, etc.



The chart at the left is the percentage breakdown by outcome of all the applications received. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.

The following charts represent the percentage breakdown by outcome of applications received by race. For example: of all applications received, those originated are highlighted in blue, those not accepted are in red, etc.



- % of Loans Originated
- % of Applications Approved/Not Accepted
- % of Applications Denied
- % of Applications Withdrawn
- % of Files Closed as Incomplete

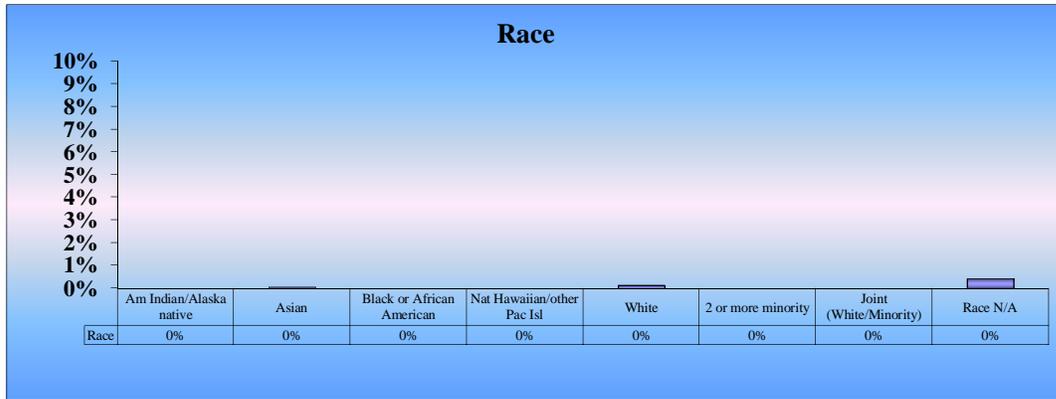
Compared against the MSA Aggregate Total

2010

Webster Bank HMDA Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	16	0%	8	0%	3	1%	3	0%	1	0%	1	0%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	9	0%	6	0%	2	2%	1	0%	0	0%	0	0%
Total	26	0%	15	0%	5	1%	4	0%	1	0%	1	0%

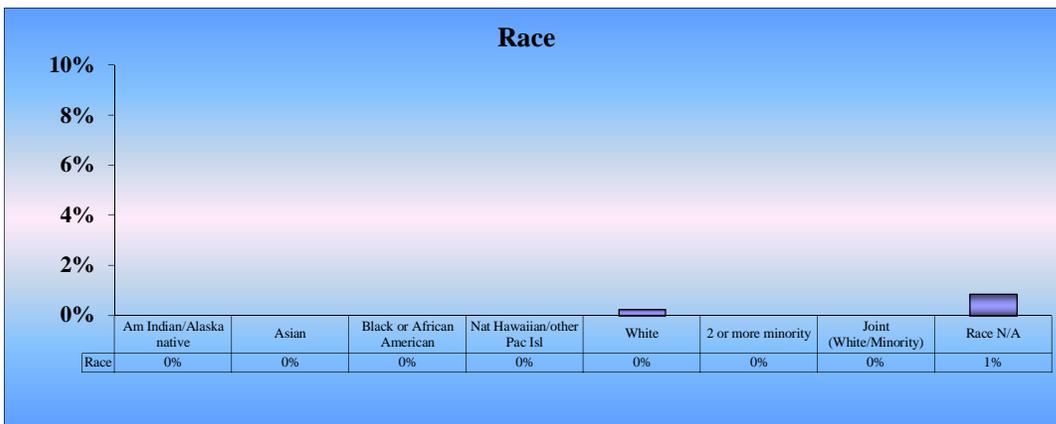
The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of Asian



Webster Bank Low-Income Mortgage Information

Race	Applications Received by bank	% of Applications Received in MSA	Loans Originated by bank	% of Loans Originated in MSA	Applications Approved/Not Accepted by bank	% of Applications Approved/Not Accepted in MSA	Applications Denied by bank	% of Applications Denied in MSA	Applications Withdrawn by bank	% of Applications Withdrawn in MSA	Files Closed as Incomplete by bank	% of Files Closed as Incomplete in MSA
Am Indian/Alaska native	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Asian	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Black or African American	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Nat Hawaiian/other Pac Isl	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
White	2	0%	1	0%	0	0%	0	0%	0	0%	1	9%
2 or more minority	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Joint (White/Minority)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Race N/A	1	1%	0	0%	0	0%	1	3%	0	0%	0	0%
Total	3	0%	1	0%	0	0%	1	0%	0	0%	1	4%

The chart below is the breakdown by race of the applications received at the bank compared against the MSA total. For example: the percentage of Asian applications is the percentage of Asian applications this bank processed compared to the total number of





Appendix A



Appendix A

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Appendix B



Appendix B

Community Reinvestment Act

Overview

The Community Reinvestment Act (CRA) was placed into law in 1977. Its primary purpose was to prevent redlining. It requires banks and other savings institutions to take positive steps in meeting the credit needs of all the communities to whom they provide services. This includes those in low- and moderate-income areas.

The Federal Reserve Board, Office of the Comptroller of the Currency, Office of Thrift Supervision and the Federal Deposit Insurance Corporation, review and evaluate whether banks are meeting the credit needs of the communities being served. This evaluation, depending on its outcome, can impact an institution's ability to expand through opening new branches or merging with another institution.

The CRA gives the areas being served the ability to intervene in the process of regulation. Some of the concerned citizens groups may include: community groups, non-profit development organizations, small business organizations, and public agencies. They may make specific recommendations as to specific areas of improvement, depending on the performance of the financial institution in question.

Programs are then developed that list the steps that must be taken in order for the institution to improve its lending record in low and moderate-income areas.

The CRA has freed up more than a trillion dollars in loans targeted to residents and businesses located in urban and rural neighborhoods. Financial institutions have also found that the CRA can provide additional, profitable business, so they take it very seriously.

CRA examinations are conducted regularly. The examiners look at five categories:

1. Ascertainment of community needs.
2. Marketing and types of credit offered and extended.
3. Geographic distribution and record of opening and closing offices.
4. Discrimination and other illegal practices.
5. Community Development.

The exam period varies from six months, for an institution that has an unsatisfactory rating; to twelve months for a billion dollar, or larger, national bank; to several years for smaller institutions regulated by the Office of the Comptroller of the Currency (OCC).

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), formerly known as the S&L Bailout Bill, made three major changes to the CRA:

- Ratings for institutions were changed. Previously there had been a scale of one to five; one being "outstanding", and five being "substantial non-compliance". The general (or overall) ratings are now reported in four categories: (Ratings within specific test areas continue to be reported in five categories as outlined in Appendix C).
 - Outstanding
 - Satisfactory
 - Needs Improvement
 - Substantial Non-Compliance
- All ratings are now disclosed to the institutions and to the public. CRA evaluations are now published.
- As of January, 1997, large banks are being evaluated based on their lending, service and investment activities. Larger institutions are being required to disclose information about their small business lending activity, and their mortgage lending activity outside of metropolitan area



Appendix C



Appendix C

Rating Definitions

Lending Performance

Outstanding

Excellent responsiveness to credit needs in its assessment area(s) taking into consideration the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s). A substantial majority of its loans are made in its assessment area. An excellent geographic distribution of loans in its assessment area(s). An excellent record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms). Extensive use of innovative or flexible lending practices, in a safe and sound manner, to address the credit needs of low or moderate-income individuals or geographies. Is a leader in making community development loans.

High Satisfactory

Good responsiveness to the credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s). A high percentage of loans are made in its assessment area(s). A good geographic distribution of loans in its assessment area(s). A good distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses) of different sizes (including farms), given the product lines of the bank. A good record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms). Use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low or moderate-income individuals or geographies. It has made a relatively high level of community development loans.

Low Satisfactory

Adequate responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s). An

adequate percentage of its loans are made in its assessment area(s). An adequate geographic distribution of loans in its assessment area(s). An adequate distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses of different sizes (including farms), given the product lines offered by the bank. An adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms). Limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low or moderate-income individuals or geographies. Has made an adequate level of community development loans.

Needs to Improve

Poor responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm and consumer loans, if applicable, in its assessment area(s). A small percentage of its loans are made in its assessment area(s). A poor geographic distribution of loans, particularly to low or moderate-income geographies, in its assessment area(s). A poor distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses of different sizes (including farms), given the product lines of the bank. A poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms);. Little use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low and moderate-income individuals and geographies. It has made a low level of community development loans.

Substantial Noncompliance

A very poor responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s). A very small percentage of its loans made in its assessment area(s). A very poor geographic distribution of loans, particularly in its assessment area(s), of loans among individuals



of different income levels and businesses of different sizes (including farms), given the product lines offered by the bank. A very poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms). No use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low or moderate-income individuals or geographies. It has few, if any community development loans.

Investment Performance

Outstanding

An excellent level of qualified investments, particularly those that are not routinely provided by private investors. Often in a leadership position. Extensive use of innovative or complex, qualified investments. Excellent responsiveness to credit and community development needs.

High Satisfactory

A significant level of qualified investments, particularly those that are not routinely provided by private investors. Occasionally in a leadership position. Extensive use of innovative or complex, qualified investments. Excellent responsiveness to credit and community development needs.

Low Satisfactory

An adequate level of qualified investments, particularly those that are not routinely provided by private investors. Rarely in a leadership position. Occasional use of innovative or complex, qualified investments. Adequate responsiveness to credit and community development needs.

Needs to improve

A poor level of qualified investments, particularly those that are not routinely provided by private investors. Rare use of innovative or complex qualified investments. Poor responsiveness to credit and community development needs.

Substantial noncompliance

Few if any, qualified investments, particularly those that are not routinely provided by private investors. No use of innovative or complex

qualified investments. Very poor responsiveness to credit and community development needs.

Service Performance

Outstanding

Its service delivery systems are readily accessible to geographies and individuals of different income levels in its assessment area(s); To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low or moderate-income geographies or to low or moderate-income individuals; Its services (including, where appropriate, business hours) are tailored to the convenience and needs of its assessment area(s), particularly low or moderate-income geographies or low or moderate-income individuals; It is a leader in providing community development services.

High Satisfactory

Its service delivery systems are accessible to geographies and individuals of different income levels in its assessment area(s). Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low and moderate-income geographies and to low and moderate-income individuals. Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area(s), particularly low and moderate-income geographies and low and moderate-income Individuals. It provides a relatively high level of community development services.

Low satisfactory

Its service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area(s). Its record of opening and closing branches has generally not adversely effected the accessibility of its delivery systems, particularly in low and moderate-income geographies and to low and moderate-income individuals. Its services (including where appropriate, business hours) do not vary in a way that inconveniences its assessment area(s), particularly low and moderate-income geographies and low and moderate-income individuals. It provides an adequate level of community development services.



Needs to improve

Its service delivery services are unreasonably inaccessible to portions of its assessment area(s), particularly to low or moderate-income geographies or to low or moderate-income individuals. Its record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly low or moderate-income geographies, or to low or moderate-income individuals. Its services (including, where appropriate, business hours) vary in a way that inconveniences its assessment area(s), particularly low or moderate-income geographies, or low or moderate-income individuals. It provides a limited level of community development services.

Substantial noncompliance

Its services delivery systems are unreasonably inaccessible to significant portions of its assessment area(s) particularly to low or moderate-income geographies or to low or moderate-income individuals. Its record of opening and closing branches has a significant, adverse effect on the accessibility of its delivery systems, particularly in low or moderate-income geographies, or to low or moderate-income individuals. Its services (including, where appropriate, business hours) vary in a way that significantly inconveniences its assessment area(s), particularly low or moderate-income geographies or low or moderate-income individuals. It provides few, if any, community development services.



Appendix D



Appendix D

Definitions

Income Levels

Low Income

Median income less than 50% of the Primary Metropolitan Statistical Area's Median Family Income (MFHI).

Moderate Income

Median income level 50% to less than 80% of the MFHI.

Middle Income

Median income 80% to less than 120% of the MFHI.

Upper Income

Median income equal to or greater than 120% of MFHI.

Regulations and Regulatory Agencies

FDIC

The Federal Deposit Insurance Corporation (FDIC) is the independent deposit insurance agency created by Congress to maintain stability and public confidence in the nation's banking system. In its unique role as deposit insurer of banks and savings associations, and in cooperation with the other federal and state regulatory agencies, the FDIC promotes the safety and soundness of insured depository institutions and the U.S. financial system, by identifying, monitoring and addressing risks to the deposit insurance funds. In addition, the FDIC gathers data about individual financial institutions and the banking industry. FDIC publications contain information the agency has gathered about the banking industry, including statistical reports and studies that examine current and historical issues in banking and economic trends. There are various data applications that profile the banking industry, analyze national and regional trends, share original research on issues related to banking and deposit insurance, and report on such important issues as emerging risk and underwriting practices. They also compile financial data concerning FDIC-insured institutions. There are historical studies of deposit insurance from its beginnings in the 1930s.

FFIEC

The Federal Financial Institutions Examination Council (FFIEC) was established March 10, 1979. The Council is a formal interagency body, empowered to prescribe uniform principles, standards, and report forms, for federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB). The Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS). FFIEC makes recommendations to promote uniformity in the supervision of financial institutions. The Council was given additional statutory responsibilities by section 340 of the Housing and Community Development Act of 1980 to facilitate public access to data that depository institutions must disclose under the Home Mortgage Disclosure Act of 1975 (HMDA) and the aggregation of annual HMDA data, by census tract, for each metropolitan statistical area (MSA). The Council has established, in accordance with the requirement of the statute, and advisory State Liaison Committee composed of five representatives of the state supervisory agencies.

HMDA

The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and is implemented by the Federal Reserve Bank's 'Regulation C'. This regulation provides the public loan data that can be used to assist in the following: to determine whether financial institutions are serving the housing needs of their communities; to assist public officials in distributing public-sector investments, so as to attract private investments to areas where it is needed; and in identifying possible discriminatory lending patterns. The regulation applies to certain financial institutions, including banks, savings associations, credit unions, and other mortgage lending institutions. Using the loan data submitted by these financial institutions, the Federal Financial Institutions Examination Council (FFIEC) creates aggregate and disclosure reports for each metropolitan statistical area (MSA) that are available to the public at central data depositories located in each MSA.



OCC

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises all national banks. It also supervises the federal branches and agencies of foreign banks. The OCC was established in 1863 as a bureau of the U.S. Department of the Treasury. The Office's principal function is the supervision of the national banking system. A staff of over 1,800 bank examiners performs the statutorily required, regular examinations of more than 2,500 banks subject to the Comptroller's supervision. The CRA's implementing regulation requires the OCC to access a national bank's record of helping to meet the credit needs of its entire community, including low and moderate-income neighborhoods, consistent with safe and sound operations. It also mandates that the agency consider that record, in its evaluation of a bank's application for new branches, relocation of an existing branch, bank mergers and consolidations, and other corporate activities. In general, the OCC conducts a CRA examination of a bank every 24 months.

OTS

The Office of Thrift Supervision (OTS) is the primary regulator of all federal and many state-chartered thrift institutions, which include savings banks and savings and loan associations. The OTS was established as an office of the Department of the Treasury on August 9, 1989. The OTS has five regional offices, located in: Jersey City, Atlanta, Chicago, Dallas, and San Francisco. The Community Reinvestment Act requires the OTS to assess a savings association's record of helping meet the credit needs of its entire community, including low and moderate-income neighborhoods, consistent with safe and sound operations. It also mandates that the agency consider that record, in its evaluation of savings association's application for new branches, relocation of an existing branch, mergers and consolidations, and other corporate activities. In general, the OTS conducts a CRA examination of savings associations every 24 months. A written evaluation of the savings association's CRA activities, including a CRA rating, is prepared at the end of each CRA examination. Pursuant to the CRA, savings associations are assigned one of four statutory ratings: Outstanding, Satisfactory, Needs to Improve, Substantial Noncompliance



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BankIQ prepared this document for the City of Boston.

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