



FIRST CHOICE LENDER COMMITMENTS

A. BUSINESS PRACTICES

All First Choice Lenders will agree to adhere to the following business practices when originating new first mortgages for homeowners in the City of Boston

1. Agree to make best efforts to place Boston borrowers in the least risky, most sustainable and most affordable refinance loan product that is appropriate for the customer's financial situation.
2. Agree to take homeowner refinancing referrals from the Boston Home Center or its partner agencies and make best efforts to help those homeowners be in a better and more sustainable position to retain their home than they were prior to the refinancing.
3. Agree to refer borrowers not qualified for any of the lender's refinancing products to the Boston Home Center, its partner agencies or other appropriate counseling services approved by the Citizen's Housing and Planning Association as part of the denial¹ process so that the borrower may be assisted in finding alternate ways to avert foreclosure.
4. Agree, if the customer requests it, to refer customers that are not qualified for any of the lender's refinancing products to other lenders that offer appropriate loan products that are in the customer's best interests.
5. Agree to maintain foreclosure prevention practices that meet or exceed the standards set by Fannie Mae/Freddie Mac.
6. Agree to make best efforts to notify their delinquent Boston borrowers of available counseling services available through the Boston Home Center, its partner agencies or other appropriate counseling services approved by the Citizen's Housing and Planning Association.
7. Agree to pricing that ensures uniformity and avoids disparity in pricing to low-to-moderate income and minority borrowers.
8. Agree to implement a "2nd Look Policy" to re-evaluate denials of low-to-moderate borrowers before a loan denial letter is sent

¹ Also referred to as "Adverse Action" decision.

9. Agree to work with the City of Boston and local community organizations to affirmatively market the refinancing services of the institution to areas of the City most affected by subprime lending and foreclosures.
10. Agree to work with the City of Boston and other appropriate housing organizations develop and implement strategies to reduce the potential for future foreclosures by decreasing the number of home purchase loans that are financed in high-cost and/or high-risk loan products.

B. FINANCIAL COMMITMENTS

1. Agree to provide a range of refinancing products to meet the needs of three categories of refinancing customers screened and referred to them by the Boston Home Center or its partner non-profit agencies: 1) At-risk homeowners that are in risky loans but are not yet behind on payments, 2) Early delinquency homeowners that may have missed a payment or two, but the lender has not yet initiated the foreclosure process, and 3) on a case-by-case basis, defaulted homeowners that are under threat of foreclosure.
2. Agree to provide both financial and in-kind resources to support the *Boston Home Ownership Preservation Fund*. This fund will provide support for educational, technical and financial services to help homeowners avoid foreclosure.

C. LENDER PROFILE REQUIREMENTS

To become certified by the City of Boston as a 1st Choice Lender, the institution must have a demonstrated community reinvestment track record including providing credit to Boston's homeowners in a manner that promotes neighborhood revitalization and long-term stability. These criteria are:

1. Ability to provide loans citywide at a meaningful scale. Measure: originated at least 100 mortgages in Boston in the most recent HMDA reporting year
2. Minimal risk of high cost lending. The lender's record of originating high APR² loans is less than half the citywide average across all lenders³.
3. Demonstrated ability to avoid foreclosures. The lender's share of all mortgage foreclosures is less than half the lenders share of all mortgage originations.⁴
4. Demonstrated record of community investment: Measure: lender has a satisfactory or above rating under the Community Reinvestment Act, or can demonstrate a substantial equivalency to this standard.

² As defined by MCBC

³ Measure: the percentage of the lender's total loan originations in the last HMDA reporting year are less than half the citywide average across all lenders. For the 2004 reporting year, this means that less than 4.85% of the lender's business in Boston is in high-APR loans.

⁴ Measure: The lender's share of all foreclosures in the most recent foreclosure reporting year (FY06) is less than half of its overall market share for the most recent HMDA reporting period (CY2004)