



2011 Linked Deposit Banking Report to the Mayor

EXECUTIVE SUMMARY



CITY OF BOSTON





ABOUT THIS DOCUMENT

This Executive Summary provides a brief, high-level summary of the 2011 Linked Deposit Banking Report to the Mayor of the City of the Boston. This document contains a short introduction to the overall lending environment in Boston in 2011; a summary of the trends impacting lending and housing in Boston in 2011; and a brief summary overviews of the 16 banks reviewed in detail in the full report.

This document offers only a brief précis of the 2011 Linked Banking Report. The full report provides in-depth data and analysis of the performance of Boston's banks in meeting the community's lending needs, including bank-by-bank analysis for 16 banks, an analysis of small business lending in Boston, HMDA loan information by census tract in Suffolk County, and a wealth of additional data on lending in Boston.

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After years of intensifying housing trouble, 2011 saw the first signs of recovery in Boston's housing market. Between 2007 and 2009, the City and the Commonwealth took groundbreaking measures to create a healthy and sound lending environment, and their impact began to be felt in 2001.

The crisis is far from over, and repeated intervention has delayed, but not prevented, many foreclosures. However, the expanded scope and importance of the CRA has created a strong foundation for sustained recovery.

THE BEGINNINGS OF RECOVERY

2011 saw significant improvements many of the key metrics used to measure the foreclosure crisis. In Boston, the number of petitions to foreclose, the first step in the foreclosure process, fell by over 50% from 2010 to 2011. Foreclosure deeds fell over 36%, to 525—down from a peak of 1215 in 2008.

At the same time, thanks to Mayor Menino's multi-pronged distressed-building strategy, the number of distressed (i.e., abandoned) residential buildings in Boston reached an all-time low in 2011. This contributed to stabilizing housing values in 2011.

FAILURE OF REMEDIES

Despite these positive signs in 2011, the foreclosure crisis is far from over. Though subprime loans now constitute a very small percentage of new loans in Boston, the risky mortgages originated at the height of the lending bubble of 2005-2007 still make up the bulk of foreclosures in Boston.

A few national and state actions have been successful in slowing the processing of these foreclosures, but none has been able to fix the underlying troubled mortgages. This speaks to both the failure of administrative remedies to systemic issues, and to the intransigence of lenders and their unwillingness to engage in meaningful mortgage modifications.

STRENGTHENED FOUNDATIONS

Despite these ongoing issues, the City's efforts to create a more sound and fair lending landscape in Boston have been extremely effective. Aggressive state and local action has laid the foundation for long-term stability and increased access to fair credit for traditionally underserved borrowers.

The problematic lending practices that led to the crisis have all but disappeared from the Massachusetts lending landscape: subprime lending has nearly disappeared in Boston, and the most responsible group of lenders — Massachusetts banks and credit unions — is now originating almost half of all loans.

One indicator of the strength of Boston's current lending market is the relative shares of government-backed loans, which are substantially lower in Massachusetts than they are nation-wide. This demonstrates that borrowers in Massachusetts, and especially in Boston, can access conventional credit much more easily than their peers in other states. In Boston, responsible credit is substantially more accessible than in other parts of the country.

THE INCREASED IMPORTANCE OF THE CRA

This positive change in the Massachusetts lending landscape is the result of a number of factors, but the legislative change 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 historical success of the CRA provided a model for the 2007 “Act Protecting and Preserving Homeownership,” championed by Mayor Menino, which expands CRA-type oversight to non-bank mortgage companies. This, combined with the dramatically increased lending share of Massachusetts banks, has allowed the CRA to once again become one of the key tools for maintaining a fair and healthy lending environment in Massachusetts. In 2011, 75.1% of home loans were covered by the CRA or by CRA-type oversight.

POSITIVE IMPACT OF THE CRA

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

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 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 still unresolved. In particular, access to conventional credit for low-income and minority borrowers remains a problem in Boston.

Black and Latino borrowers still face disproportionately high denial rates, even when adjusted for income, and both minority and low-income borrowers receive a higher proportion of government-backed loans (as opposed to conventional prime loans) than do white or higher-income borrowers. This indicates that minority and lower-income borrowers still face access-to-credit issues.

These unresolved issues serve to emphasize the continued importance of the CRA. Even as Boston emerges from the housing crisis, the issues the CRA was originally created to address are still with us. Only vigilance and oversight can ensure fair access to credit for all residents of the City of Boston.



Mortgage Lending Trends 2011

- Mortgage lending in Boston has decreased in volume every year since 2007. Mortgage applications fell 56% between 2007 and 2011, and mortgage originations fell 52%.
- The proportion of applications originated has increased each year, from 65% in 2007 to 72% in 2011 — but this is not nearly enough to offset the sharp decline in applications.
- Overall mortgage lending levels held steady between 2010 and 2011, with nearly identical numbers of mortgage originations (11,628 in 2010 and 11,589 in 2011).
- Mortgage applications by minority applicants held steady as a percentage of total applications, at around 30%.
- The origination rate for minority applicants has risen each year (from 55% in 2007 to 67% in 2011). While this percentage still trails origination rates for white borrowers, the origination gap has decreased from 10% in 2007 to 5% in 2011.
- The number of low-income HMDA mortgage applications has generally remained steady, at around 1200 applications each year. However, the proportion of low-income applications has risen from 3% of applications in 2007 to 8% in 2011.
- The origination rate for low-income mortgage applications rose from 55% in 2010 to 59% in 2011, but still lags well behind the 72% overall origination rate.

Small Business Lending Trends 2011

- Small business loan dollars originated in Suffolk County rose 18.5% between 2010 and 2011, from \$426 million to \$505 million.
- Small business loans by number also rose, from 11,188 in 2010 to 14,786 in 2011.
- In 2011, small business loan dollars were evenly distributed across census tract income levels, with 48% of small business loan dollars originated in low- and moderate-income census tracts.

Lenders and Loan Quality

- In 2011, only 34 subprime mortgage loans were originated in Boston. At just 0.3% of all loans, this is significantly lower than both state and national subprime lending levels.
- In 2011, 75% of home loans were covered by the CRA or by CRA-type oversight (notably, the “CRA for Mortgage Lenders”). By contrast, at the peak of the subprime crisis in 2006, the CRA covered only 22% of all home loans in Massachusetts.



- Massachusetts banks and credit unions made 43.3% of home purchase loans in Boston in 2011 — compared to only 19.7% in 2005.
- The top mortgage lenders in Boston in 2011 were Mortgage Master, Bank of America, Wells Fargo, RBS Citizens, and JPMorgan Chase.

Housing Trends

- In Boston, foreclosure petitions fell 52% from 2010 to 2011, and foreclosure deeds fell 36%. This may reflect a slowing of the foreclosure process, rather than systemic improvement.
- Boston's foreclosure rate of 0.27% is significantly lower than both the national foreclosure rate (1.45%), and the Massachusetts foreclosure rate (0.83%).
- Since 2006, the City's Foreclosure Prevention Counseling Network prevented 1,572 foreclosures in Boston, lowering the city's foreclosure rate by 38%.
- The number of distressed (i.e., abandoned) residential buildings in Boston reached an all-time low in 2011.



Bank of America

Bank of America is a \$1.46 trillion full-service interstate bank, headquartered in Charlotte, North Carolina. The bank provides services to half of U.S. households. Community development initiatives are a major focus of the bank, particularly in its role as developer of affordable housing. Bank of America currently services 11.7 million home mortgage loans, more than any other financial institution.

Overall Boston CRA Rating (2009): OUTSTANDING

Lending Test Rating: OUTSTANDING

Bank of America's lending to low- and moderate-income geographies in Boston was excellent, among the strongest in the bank's national footprint. The bank provided a very high level of community development lending, and is one of the country's most significant community development lenders.

Investment Test Rating: OUTSTANDING

The bank's investment activity reflected an excellent level of responsiveness to the needs of Boston's communities. The bank took a leadership role in complex community-development investments, and is the country's largest single investor in Community Development Financial Institutions.

Service Test Rating: OUTSTANDING

Bank of America's retail services showed excellent responsiveness to the banking needs of individuals of different income levels. The bank is a leader in providing community development services in Boston.

In 2011, Bank of America originated \$152 billion in first mortgages nationwide, including \$35 billion for low- and moderate-income customers. Bank of America originated 673 home mortgage loans in Boston in 2011, including 55 low-income loans, making it one of the biggest home mortgage lenders in Boston. The bank originated 262 small business loans in 2001, totaling \$46.0 million — 9.1% of total small business loan dollars in Suffolk County.

Blue Hills Bank

Blue Hills Bank (formerly Hyde Park Savings Bank) is a Massachusetts state chartered, mutual savings institution headquartered in the Hyde Park neighborhood of Boston. The bank's assets total \$960.6 million. The bank is almost exclusively a residential mortgage lender, with 96.4% of all loans secured by one-to- four family residential properties.

Overall CRA Rating (2012): SATISFACTORY

Lending Test Rating: SATISFACTORY

Blue Hills Bank's overall lending volume reflects adequate responsiveness to assessment-area credit needs. The bank's home mortgage lending displays an excellent responsiveness to the needs of low- and moderate-income borrowers, but overall lending volume is low.



Investment Test Rating: OUTSTANDING

Blue Hills Bank made an excellent level of qualified community development investments and grants. The bank established the Blue Hills Bank Charitable Foundation in November 2011, formalizing its community development efforts with a \$500,000 multi-year pledge.

Service Test Rating: OUTSTANDING

The bank's service delivery systems are tailored to local needs, particularly those of lower-income individuals and neighborhoods. Blue Hills Bank is a leader in providing community development services. The services provided by the bank have increased financial literacy and met important needs in the communities the bank serves.

Blue Hills Bank originated 51 home mortgage loans in Boston in 2011, including 10 low-income loans. The bank's HMDA lending has been increasing steadily since 2009. In 2011, the bank announced a new business model focused on diversifying its lending products and increasing its lending volume. In 2011, the bank's residential lending portfolio increased from \$195 million to \$270 million.

BNY Mellon

Bank of New York Mellon, headquartered in New York, is a state-chartered wholesale banking institution providing asset servicing, custody services, U.S. dollar clearing, and treasury operations. BNY Mellon does not extend home mortgage, small business, or consumer credit to retail customers or to the public at large.

Overall CRA Rating (2011): SATISFACTORY

BNY Mellon's CRA evaluation consisted of a single community development test, and did not examine the bank's Massachusetts activities. As such, the bank's rating is provided *for reference only*.

Community Development Test Rating: SATISFACTORY

In 2011, BNY Mellon completed its exit from the consumer lending market. The bank neither accepted applications nor made any HMDA loans in Boston in 2011. The bank continued to originate a small number of small business loans in Boston: 14 loans in 2011, for a total of \$2.85 million.

Boston Private Bank

Boston Private Bank & Trust Company is a \$5.85 billion commercial bank headquartered in Boston. Although established as a wealth management company, the bank has developed a strong community banking orientation and has demonstrated a positive commitment to the communities in which it operates.

Overall CRA Rating (2011): OUTSTANDING

Lending Test Rating: OUTSTANDING

Boston Private Bank has achieved an excellent lending penetration among customers of different income levels, demonstrating the bank's commitment to the needs of lower-income



borrowers and geographies. The bank makes extensive use of innovative and flexible lending programs to help lower-income individuals achieve homeownership. Boston Private Bank takes a leadership role in community development lending.

Investment Test Rating: OUTSTANDING

Boston Private Bank has an excellent level of community development investments. In addition, the bank makes significant use of innovative or complex investments to support community development initiatives.

Service Test Rating: OUTSTANDING

Boston Private Bank is considered a leader in community development services, with bank officers and employees highly involved in community organizations in Boston. The bank's service delivery systems, including its low-cost accounts and phone/online banking systems, are tailored to the convenience and needs of its assessment area.

In 2011, Boston Private Bank originated 252 HMDA mortgages in Boston, including 26 low-income HMDA loans. The bank's HMDA originations have fallen 20% between 2009 and 2011. Boston Private Bank originated 183 small business loans in Boston in 2011, for a total of \$46.7 million — fully 9.3% of all small business loans dollars in Boston. The bank's small business lending levels exceed those of much larger national banks such as Bank of America, Sovereign, and RBS Citizens.

Cathay Bank

Cathay Bank is a \$10.6 billion commercial bank headquartered in Los Angeles, California. The bank primarily operates in California markets with a concentration of Chinese-American individuals. The bank operates one branch in Massachusetts. Cathay Bank is primarily a commercial lender, and the bank's Massachusetts activities account for a minor portion of the bank's overall activities.

Overall CRA Rating in Massachusetts (2010): SATISFACTORY

Lending Test Rating: HIGH SATISFACTORY

Cathay Bank's lending levels reflect an overall good responsiveness to Boston's credit needs, though the bank's level of home mortgage lending in Boston is consistently low. The bank has made an adequate level of community development loans, though it makes little use of innovative or flexible lending practices.

Investment Test Rating: LOW SATISFACTORY

Cathay Bank has an adequate level of qualified community development investments and grants in Boston. The bank occasionally uses complex investments to support community development initiatives, including affordable housing.

Service Test Rating: HIGH SATISFACTORY

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.

Cathay Bank's overall HMDA lending levels in Boston have remained consistently low for the past decade. In 2011, the bank originated six HMDA loans and two low-income loans in Boston. Cathay



Bank originated very few small business loans in Boston in 2001 — seven loans, for \$925,000 in total small business loan dollars.

Century Bank

Century Bank is a \$2.74 billion commercial bank headquartered in Somerville, Massachusetts. Century Bank operates 24 branches in 17 Massachusetts cities. Between 2008 and mid-2011, the bank's residential loan portfolio increased 35 percent.

Overall CRA Rating (2011): SATISFACTORY

Lending Test Rating: HIGH SATISFACTORY

Century Bank's lending activity reflects good responsiveness to area credit needs. Century Bank regularly surpasses the aggregate in lending to low- and moderate-income borrowers. The bank made a relatively high level of community development loans.

Investment Test Rating: LOW SATISFACTORY

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 bank rarely uses innovative or complex investments to support community development initiatives.

Service Test Rating: HIGH SATISFACTORY

Century Bank provides a relatively high level of community development services, displaying a good responsiveness to the needs of lower-income individuals in Boston. The bank's services have resulted in a better-educated community and increased awareness of community needs.

In 2011, Century Bank originated 25 HMDA loans in Boston, more than double its 2010 HMDA lending levels. The bank originated only one low-income HMDA loan in Boston in 2001, which is consistent with its historical lending levels. Century Bank originated 53 small business loans in Boston in 2001, totaling \$8.4 million.

Commonwealth Cooperative Bank

Commonwealth Cooperative Bank is a \$176 million state-chartered co-operative bank with principal offices in Boston, Massachusetts. The combined institution operates three branches in Boston, and is primarily a residential lender.

Overall CRA Rating (2008): SATISFACTORY

The current Commonwealth Cooperative Bank is the result of a 2008 merger with Hyde Park Cooperative Bank; however, the bank has not received a CRA evaluation since the merger. The most recent CRA rating, conducted in 2008, refers to the pre-merger Hyde Park Cooperative Bank, and is provided *for reference only*.



Lending Test Rating: NOT RATED

Investment Test Rating: NOT RATED

Service Test Rating: NOT RATED

In 2011, Commonwealth Cooperative Bank originated 23 HMDA loans, and one low-income HMDA loan. The bank's lending levels have been low but consistent year-over-year.

East Boston Savings Bank

East Boston Savings Bank (EBSB) is a \$1.95 billion Massachusetts-chartered bank headquartered in East Boston. In 2010, EBSB completed its acquisition of Mt. Washington Cooperative Bank, a \$496 million community bank headquartered in South Boston. EBSB is primarily a residential real estate lender.

Overall CRA Rating (2011): SATISFACTORY

Lending Test Rating: HIGH SATISFACTORY

EBSB's home mortgage and small business lending activity reflects good responsiveness to Boston's credit needs. The bank was successful at extending home mortgage loans in lower-income census tracts, reflecting the bank's targeted efforts to meet community credit needs. The bank made an adequate level of community development loans.

Investment Test Rating: SATISFACTORY

EBSB has an adequate level of qualified equity investments. The bank made a significant level of qualified charitable donations to help address a variety of community development needs in Boston.

Service Test Rating: HIGH SATISFACTORY

EBSB provided a relatively high level of community development services, including educational seminars targeted toward low- and moderate-income borrowers and first-time homebuyers. Changes in the bank's service delivery systems have improved the accessibility of its services, particularly to moderate-income geographies.

East Boston Savings Bank is ranked 16th out of 442 home mortgage lenders in Massachusetts. The bank originated 165 HMDA loans in Boston in 2011, but only 7 low-income home mortgage loans. The bank originated 42 small business loans in 2011 in Boston, totaling \$13.4 million.

Eastern Bank

Eastern Bank is the fourth-largest full-service consumer bank in Greater Boston. The bank has \$7.81 billion in assets and is headquartered in Boston. Eastern Bank completed its \$163 million acquisition of Wainwright Bank & Trust in spring 2011.



Overall CRA Rating (2011): OUTSTANDING

Lending Test Rating: HIGH SATISFACTORY

Eastern Bank consistently ranks among the top home mortgage lenders in Massachusetts, and continues to demonstrate leadership in community development lending. The bank makes extensive use of innovative and flexible lending programs, and has an excellent record of lending to lower-income individuals. Eastern Bank was Massachusetts' number-one SBA lender in 2011.

Investment Test Rating: OUTSTANDING

Eastern Bank's level of qualified investments and donations is excellent; however, investments are limited in complexity and are routinely provided by other investors.

Service Test Rating: OUTSTANDING

Eastern Bank's retail banking services are excellent, and include alternative services targeted toward low- and moderate- income individuals. Eastern Bank has taken a leadership role in providing community development services by providing numerous financial education events and seminars targeted to the needs of lower-income individuals.

In 2011, Eastern Bank originated 115 HMDA loans in Boston, a 38% increase from 2010 lending levels. The bank originated 19 low-income loans in 2011. Eastern Bank was a major small business lender in Boston in 2011, with 220 small business loans totaling \$48.3 million, or 9.6% of all small business loan dollars in Boston.

First Trade Union Bank

First Trade Union Bank (FTUB) is a \$608 million interstate federal stock savings bank headquartered in Boston. The majority of the bank's deposits and lending are derived from its relationship with the carpenters unions that control the bank, and with trade union members.

Overall CRA Rating, Massachusetts (2011): SATISFACTORY

Lending Test Rating: OUTSTANDING

FTUB's net loan-to-deposit ratio is more than reasonable; and the bank's distribution of loans in Boston reflects excellent penetration among individuals of different income levels and businesses of different sizes. The bank's performance is considered outstanding given the lack of affordable housing and high competition in Boston.

Community Development Test Rating: SATISFACTORY

FTUB's community development performance demonstrates adequate responsiveness to community needs through loans, investments, and services. The bank's community development investments and services were considered satisfactory.

In 2011, FTUB originated two HMDA loans in Boston, and no low-income loans. This is consistent with the bank's historical levels of HMDA lending.



JPMorgan Chase Bank

JPMorgan Chase Bank has over \$1.8 trillion in assets and 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, though its retail presence in Massachusetts is minimal.

Overall CRA Rating (2007): OUTSTANDING

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 activities in Massachusetts. Ratings are provided *for reference only*.

Lending Test Rating: OUTSTANDING

Investment Test Rating: HIGH SATISFACTORY

Service Test Rating: HIGH SATISFACTORY

In 2011, JPMorgan Chase Bank originated no HMDA loans and no low-income loans in Boston. The bank has not originated any HMDA-reportable mortgage loans in Boston since it established a presence in Massachusetts in 2005. The bank is the nation's largest SBA lender, though its small business lending in Boston in 2011 was minimal: 30 small business loans totaling \$996,000.

OneUnited Bank

OneUnited Bank is a minority-owned, commercially-chartered financial institution headquartered in Boston, with current asset size is \$562 million. OneUnited maintains two branches in Boston, two in Florida, and five in California. The bank's lending in Massachusetts and Florida has been extremely limited.

Overall CRA Rating in Massachusetts (2010): NEEDS TO IMPROVE

Lending Test Rating: SUBSTANTIAL NONCOMPLIANCE

OneUnited's lending activity in Massachusetts is considered very poor. The bank's volume of lending was extremely low, and the bank's performance in meeting the needs of low- and moderate-income borrowers was very poor. OneUnited's poor lending performance is considered especially egregious because the bank has been designated a CDFI since 1997.

Community Development Test Rating: NEEDS TO IMPROVE

OneUnited Bank's overall community development performance demonstrates poor responsiveness to the community development needs of Boston. OneUnited's community development lending is considered poor based on the Bank's size, resources, and needs of the assessment areas. OneUnited's level of community development lending and charitable contributions in Massachusetts is poor. The overall level of community development services provided by OneUnited is considered marginally adequate.

Between 2007 and 2011, OneUnited originated only one HMDA loan in the Boston MSA (in 2010), and none in 2011. The bank has not originated any low-income HMDA loans in Boston since 1998.



RBS Citizens Bank

RBS Citizens Bank is a \$106 billion commercial bank headquartered in Providence, RI. It is the 12th largest bank in the nation by assets. In Massachusetts, RBS Citizens has a primary market focus on providing credit, deposit accounts, and services to individuals and small businesses. The bank has 258 branch offices in Massachusetts.

Overall CRA Rating (2007): OUTSTANDING

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*.

Lending Test Rating: OUTSTANDING

Investment Test Rating: OUTSTANDING

Service Test Rating: OUTSTANDING

RBS Citizens originated 545 HMDA loans in Boston in 2011, including 63 low-income HMDA loans. The bank's level of HMDA lending has remained consistent year over year since 2009. RBS Citizens has historically been among the top SBA lenders in Massachusetts: in 2011 in Boston, the bank originated 690 small business loans totaling \$42.1 million. This represents 8.4% of total small business loan dollars in Boston.

Sovereign Bank

Sovereign Bank is a \$78.1 billion federally chartered bank, one of the 25 largest banks in the United States. Many of the bank's loan products are designed to improve access to credit for low- and moderate-income borrowers. In 2011, the bank announced that it intends to move its corporate headquarters to Boston.

Overall CRA Rating (2010): OUTSTANDING

Lending Test Rating: OUTSTANDING

Sovereign Bank extended a large volume of HMDA loans in Boston. Sovereign Bank was very successful in extending credit to lower-income borrowers in Boston. The bank uses and has developed a variety of innovative and flexible lending products targeted to those residents and businesses most in need. Sovereign's commitment to community-development lending in Boston is strong.

Investment Test Rating in Boston: OUTSTANDING

In Boston, Sovereign Bank originated a high level of community development loans. The bank has an exemplary record of lending under innovative and flexible lending products. Sovereign Bank also extended a substantial level of charitable donations for community development activities.

Service Test Rating: OUTSTANDING

Sovereign Bank provided a high level of community development services in Boston. The bank is actively involved community development activities, and provides financial and technical assistance to a number of community development organizations in Boston.



In 2011, Sovereign Bank originated 330 HMDA-reportable loans in Boston, including 28 low-income HMDA loans. This represents a 26% decline from the bank's 2010 HMDA lending levels. Sovereign Bank originated 271 small business loans in Boston in 2011, totaling \$37.1 million. Sovereign Bank provided 7.3% of all small business loan dollars in Boston in 2011.

TD Bank

TD Bank is a \$189 billion national bank, one of the 10 largest banks in the U.S. The bank is wholly owned by the Toronto-Dominion Bank of Canada, one of the largest financial services companies in North America. The bank operates over 1,200 retail branches in 17 states.

Overall CRA Rating, Boston (2008): OUTSTANDING

Lending Test Rating, Boston: OUTSTANDING

TD Bank's level of lending activity in Boston is adequate. The bank achieved excellent geographic distribution of all mortgage loan products across low- and moderate-income geographies. TD Bank consistently ranks among the top Massachusetts SBA Lenders, and has a very strong record of making community development loans in Boston.

Investment Test Rating, Boston: HIGH SATISFACTORY

TD Bank made a good level of community development investments that were responsive to identified credit needs. Nearly all of the bank's investments and grants are associated with affordable housing for lower-income individuals as well as economic development, which showed excellent responsiveness to local needs.

Service Test Rating, Boston: HIGH SATISFACTORY

TD Bank provides an excellent level of community development services in Boston. The bank has demonstrated a commitment to proactively providing financial expertise to homebuyers and small businesses, and to providing financial services to community development partners.

In 2011, TD Bank originated 110 HMDA loans in Boston, consistent with the bank's 2010 lending levels in Boston. The bank originated a low number of low-income HMDA loans: three loans in 2011. TD Bank originated 148 small business loans for a total of \$14.8 million in small business loan dollars.

Webster Bank

Webster Bank is a nationally chartered, \$18.7 billion bank headquartered in Waterbury, Connecticut. The vast majority of the bank's deposits are from the bank's Connecticut offices; only about two percent of Webster Bank's total deposits are from its Massachusetts offices.

Overall CRA Rating, Massachusetts (2011): OUTSTANDING

Lending Test Rating: HIGH SATISFACTORY

In Boston, Webster Bank's overall lending activity is considered adequate for both home mortgages and small business lending. In Boston, the bank's geographic distribution of home



mortgage loans reflects excellent penetration among low- and moderate-income borrowers and neighborhoods.

Investment Test Rating: OUTSTANDING

Webster Bank's level of qualified investments reflects excellent responsiveness to the state's credit and community development needs. The bank's investment performance in Boston is excellent, and the bank has an excellent level of qualified community development investments in Boston.

Service Test Rating: OUTSTANDING

Webster Bank's service delivery systems are readily accessible to geographies and individuals of different income levels. The bank's performance in providing community development services in Boston is good.

Webster Bank's HMDA lending in Boston more than doubled from 2010 to 2011, from 15 loans in 2010 to 37 loans in 2011. The bank's low-income lending remained minimal, at one loan in 2011. The bank originated 9 small business loans in Boston in 2011, totaling \$2.3 million.



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BankIQ prepared this document for the City of Boston.

With over twenty years' Government Banking experience, BankIQ is an independent, woman-owned and operated business. BankIQ specializes in collecting, analyzing, preparing, and documenting Financial Services information for the Public Sector.

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