



ABOUT THIS DOCUMENT

This Executive Summary provides a brief, high-level summary of the City of Boston 2012 Linked Deposit Banking Report to the Mayor. This document contains a short introduction to the overall lending environment in Boston in 2012; a summary of the trends impacting lending and housing in Boston in 2012; 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 2012 Linked Deposit 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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2012 was a year of recovery and rebuilding in Boston's housing markets. The housing crisis is far from over, as repeated intervention has only slowed, but not prevented, many foreclosures. However, vigorous local action and the expanded influence of the CRA are laying the foundations for a healthy lending environment and sustained recovery in Boston.

THE BEGINNINGS OF RECOVERY

In 2012, Boston's housing market and lending environment continued its recovery from the mortgage and 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. 2012 saw significant improvements many key metrics used to measure the foreclosure crisis. In Boston, foreclosure deeds fell by 41% from 2011, to 308—down from a peak of 1215 in 2008.

At the same time, thanks to the Mayor's Office'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 2012, the impact of the subprime lending crisis is still being felt in Boston. 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 unwillingness of lenders 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 ceased 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.

GROWING 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 2012, 80.1% of home loans were covered by the CRA or by CRA-type oversight.

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

Despite these positive changes, mortgage lending in Boston still faces a number of unresolved systemic issues. 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 2012

- After decreasing in volume every year from 2007 through 2011, mortgage lending in Boston increased in 2012. Mortgage applications increased 25% from 2011 to 2012, and mortgage originations increased 30% during the same period.
- The proportion of applications originated has increased each year, from 65% in 2007 to 75% in 2012.
- 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 72% in 2012). While this percentage still trails the aggregate origination rate, the origination gap has decreased from 10% in 2007 to 3% in 2012.
- The number of low-income HMDA mortgage applications has generally remained steady, from around 1200-1500 applications each year. However, the proportion of low-income applications has risen from 3% of applications in 2007 to 7% in 2012.
- The origination rate for low-income mortgage applications rose from 59% in 2011 to 64% in 2012, but still lags well behind the 75% overall origination rate.

Small Business Lending Trends 2012

- Small business loan dollars originated in Suffolk County rose 24.0% between 2011 and 2012, from \$505 million to \$626 million.
- Small business loans by number also rose, from 14,786 in 2011 to 16,739 in 2012.
- In 2012, small business loan dollars were fairly evenly distributed across low, moderate and middle-income census tracts, while 52% of small business loan dollars originated in upper-income census tracts.

Lenders and Loan Quality 2012

- In 2012, only 33 subprime mortgage loans were originated in Boston. At just 0.2% of all loans, this is significantly lower than both state and national subprime lending levels.
- In 2012, 80.1% 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 43.5% of home purchase loans in Boston in 2012 — compared to only 19.7% in 2005.
- The top mortgage lenders in Boston in 2012 were Mortgage Master, Wells Fargo, Guaranteed Rate, Leader Bank and Bank of America.



Housing Trends 2012

- In Boston in 2012, foreclosure deeds fell by 41% from 2011, to 308—down from a peak of 1215 in 2008.
- Boston's foreclosure petition rate of 0.35% is significantly lower than both the national foreclosure rate (1.39%), and the Massachusetts foreclosure rate (0.61%).
- Since 2006, the City's Foreclosure Prevention Counseling Network prevented 2,019 foreclosures in Boston, lowering the city's foreclosure rate by 46%.
- The number of distressed (i.e., abandoned) residential buildings in Boston reached an all-time low in 2012.



Bank of America

Bank of America is a \$1.47 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 more home mortgage loans, 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 2012, Bank of America originated \$75.1 billion in first mortgages nationwide, including \$15.5 billion for 96,500 low- and moderate-income customers. Bank of America originated 489 home mortgage loans in Boston in 2012, including 56 low-income loans, making it one of the biggest home mortgage lenders in Boston. The bank originated 371 small business loans in 2012, totaling \$63.0 million — 10.1% 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 \$1.2 billion. In 2012, loans secured by one-to-four family residential properties made up 48.1% of all loans.

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 60 home mortgage loans in Boston in 2012, including 3 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. From 2010 to 2012, the bank's level of lending for one-to-four family residential properties increased from \$195 million to \$338 million. The bank originated just one small business loan in 2012, in an upper-income census tract, for a total of \$250,000.



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 2012, BNY Mellon completed its exit from the consumer lending market. The bank neither accepted applications nor made any HMDA loans in Boston in 2012. The bank continued to originate a small number of small business loans in Boston: 6 loans in 2012, for a total of \$2.16 million.

Boston Private Bank

Boston Private Bank & Trust Company is a \$6.27 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 282 HMDA mortgages in Boston, including 23 low-income HMDA loans. The bank's overall HMDA originations remained steady from 2010 to 2012, while the number of low-income originations decreased by 34%. Boston Private Bank originated 197 small business loans in Boston in 2012, for a total of \$63.6 million — fully 10.1% of all small business loans dollars in Boston. The bank's small business lending levels equal or exceed those of much larger national banks such as Bank of America 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 (2012): 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 a low level of community development loans, and 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 2012, the bank originated nine HMDA loans and three low-income loans in Boston. Cathay Bank originated six small business loans in Boston in 2012, for \$2.64 million in total small business loan dollars.

Century Bank

Century Bank is a \$3.08 billion commercial bank headquartered in Somerville, Massachusetts. Century Bank operates 26 branches in 18 Massachusetts cities. From 2010 to 2012, the bank's 1-4 family residential lending portfolio increased 24.3%.

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 2012, Century Bank originated 26 HMDA loans in Boston, compared to 25 originated in 2011. The bank originated only three low-income HMDA loan in Boston in 2012, which marks an increase over its historical lending levels. Century Bank originated 117 small business loans in Boston in 2012, totaling \$22.8 million.



Commonwealth Cooperative Bank

Commonwealth Cooperative Bank is a \$172.1 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 10 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 \$2.25 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. Although EBSB has historically been primarily a residential real estate lender, in 2012 commercial lending made up 46 percent of the bank's loan portfolio.

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 184 HMDA loans in Boston in 2011, but only 10 low-income home mortgage loans. The bank originated 58 small business loans in 2011 in Boston, totaling \$22.1 million.



Eastern Bank

Eastern Bank is the fourth-largest full-service consumer bank in Greater Boston. The bank has \$8.58 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 2012, Eastern Bank originated 136 HMDA loans in Boston, a 18% increase from 2011 lending levels. The bank originated 9 low-income loans in 2012. Eastern Bank was a major small business lender in Boston in 2012, with 291 small business loans totaling \$60.4 million, or 9.6% of all small business loan dollars in Boston.

First Trade Union Bank

First Trade Union Bank (FTUB) is a \$632 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, Massachusetts: 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, Massachusetts: 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 2012, FTUB originated one HMDA loan 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 \$1.9 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 (2011): SATISFACTORY

No CRA information is reported about JPMorgan Chase Bank's Massachusetts activities. The most recent review, conducted in 2011, did not evaluate the bank's activities in Massachusetts. Ratings are provided *for reference only*.

Lending Test Rating: HIGH SATISFACTORY

Investment Test Rating: OUTSTANDING

Service Test Rating: HIGH SATISFACTORY

In 2012, JPMorgan Chase Bank originated 96 HMDA loans and three low-income loans in Boston. These were the bank's first 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 2012 was minimal: 27 small business loans totaling \$987,000.

OneUnited Bank

OneUnited Bank is a minority-owned, commercially-chartered financial institution headquartered in Boston, with current asset size is \$601.8 million. OneUnited maintains two branches in Boston, one 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 2012, OneUnited originated only one HMDA loan in the Boston MSA (in 2010), and none in 2012. The bank has not originated any low-income HMDA loans in Boston since 1998.



RBS Citizens Bank

RBS Citizens Bank is a \$104.8 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 253 branch offices in Massachusetts.

Overall CRA Rating (2010): 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: HIGH SATISFACTORY

Service Test Rating: OUTSTANDING

RBS Citizens originated 507 HMDA loans in Boston in 2012, including 72 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 677 small business loans totaling \$34.1 million. This represents 5.4% of total small business loan dollars in Boston.

Sovereign Bank

Sovereign Bank is a \$83.1 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. In 2012, the bank converted from a thrift to a national bank.

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: HIGH SATISFACTORY

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 2012, Sovereign Bank originated 560 HMDA-reportable loans in Boston, including 85 low-income HMDA loans. This represents a 70% increase from the bank's 2011 HMDA lending levels.



TD Bank

TD Bank is a \$204 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 15 states.

Overall CRA Rating, Boston (2011): OUTSTANDING

Lending Test Rating, Boston: OUTSTANDING

TD Bank's lending performance is excellent. The bank's overall level of lending activity is excellent, combined with good borrower distribution and good geographic distribution for all products. The bank's level of Community Development Lending was considered excellent.

Investment Test Rating, Boston: OUTSTANDING

TD Bank's overall investment performance is excellent. The bank's performance was consistently excellent throughout its assessment areas based on volume of investments and on meeting the needs of the community. The bank's volume of qualified investments was also excellent.

Service Test Rating, Boston: HIGH SATISFACTORY

TD Bank provides a good level of community development services in Boston. The bank's community development services met a broad range of identified needs in Boston, including housing education and social services for low- and moderate-income families.

In 2012, TD Bank originated 176 HMDA loans in Boston, an increase from with the bank's 2011 lending levels in Boston. The bank originated a low number of low-income HMDA loans: nine loans in 2012. TD Bank originated 141 small business loans for a total of \$16.6 million in small business loan dollars.

Webster Bank

Webster Bank is a nationally chartered, \$20.1 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 increased fourfold from 2010 to 2012, from 15 loans in 2010 to 60 loans in 2012. The bank's low-income lending remained minimal, at three loans in 2011. The bank originated 7 small business loans in Boston in 2012, totaling \$3.8 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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