



2016 Linked Deposit Banking Report to the Mayor

EXECUTIVE SUMMARY



CITY OF BOSTON





Prepared August 2018 by BankIQ

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ABOUT THIS DOCUMENT

This Executive Summary provides a high-level brief of the City of Boston 2016 Linked Deposit Banking Report to the Mayor. This document contains an introduction to the overall lending environment in Boston in 2016; a summary of the trends impacting lending and housing in Boston in 2016; and summary overviews of the 18 banks reviewed in detail in the full report.

This document offers only a brief précis of the 2016 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 18 banks; an analysis of small business lending in Boston; and HMDA loan information by census tract in Suffolk County.

New to the 2016 report are Commerce Bank & Trust of Worcester, Massachusetts and People's United Bank of Bridgeport, Connecticut. Because these banks are not part of the historical data contained in this report, data for these banks are not part of the "Trend Analysis" for mortgage information. Data for these institutions is included in the "Small Business Trend" section of this Executive Summary (pages 3 and 4).

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About This Report

Since 1999, BankIQ has prepared the [Linked Deposit Banking Report to the Mayor](#), which reports annually on the residential lending, small business lending, and community development practices of the group of banks eligible to provide banking services to the City of Boston.

The report was created in accordance with City of Boston Municipal Code requirements that any institution wishing to contract with the City to provide banking services or to become a city depository shall annually disclose information on its loan activity and community development participation and services.

This report is intended to assist City officials as they compare the activities and performance of banks in order to help ensure that City monies are invested in institutions that contribute positively to the Boston community.

CRA and HMDA Legislation and Reporting

For each bank covered in this report, the [Linked Deposit Banking Report to the Mayor](#) includes ratings, information, and analysis drawn from the institution's most recent CRA performance evaluation. The report also draws on recent HMDA data to provide an overview of lending rates and patterns for each of the banks covered in the report, as well as aggregate performance for all reporting financial institutions in the Boston MSA.

The Community Reinvestment Act (CRA) provides a framework for financial institutions, state and local governments, and community organizations to jointly promote banking services to all members of a community, including those in low- and moderate-income neighborhoods, that are consistent with safe and sound banking operations. The CRA requires that each insured depository institution's record in helping meet community credit must be evaluated periodically and made available to the public.

The Home Mortgage Disclosure Act (HMDA) requires many financial institutions to maintain, report, and publicly disclose information about mortgage applications received and the institution's action on those applications. The Act also requires most lenders to identify the race, sex, and income of loan applicants and borrowers. The data reported under HMDA are intended to enable government entities and the public at large to determine whether financial institutions are serving the housing needs of their communities, as well as to aid in identifying possible discriminatory lending patterns.

Additional Sources

The [Linked Deposit Banking Report to the Mayor](#) utilizes information drawn from CRA performance evaluations and HMDA data with additional details from banks'



websites, annual reports, news releases, and other publications. The report also includes data from the FFIEC Institution Directory and the Massachusetts Office of Consumer Affairs & Business Regulation, Division of Banks.

Covered Banks

The 2016 Linked Deposit Banking Report to the Mayor contains information on 2016 mortgage lending rates and patterns for each of the following 18 banks:

- Bank of America, N.A.
- BNY Mellon, N.A.
- Blue Hills Bank
- Boston Private Bank & Trust Company
- Cathay Bank
- Century Bank and Trust Company
- Citizens Bank, N.A. (formerly RBS Citizens, N.A.)
- Commerce Bank & Trust (added in 2016 report)
- Commonwealth Cooperative Bank
- East Boston Savings Bank
- Eastern Bank
- JPMorgan Chase Bank, N.A.
- OneUnited Bank
- People's United Bank, N.A. (added 2016 report)
- Radius Bank (formerly First Trade Union Bank)
- Santander Bank, N.A. (formerly Sovereign Bank)
- TD Bank, N.A.
- Webster Bank, N.A.

For each bank, the report presents a general overview of the bank's size, staffing, and operations, as well as detailed information on CRA ratings and related community lending, investment, service, and development activities. Each bank's profile concludes with a series of charts and graphs that provide additional details on the bank's lending activities for 2016.



State of Banking in the City of Boston

2016 Foreclosure Update

In the decade since the financial crisis, Massachusetts has enacted legislation including the expansion of the Community Reinvestment Act to include non-bank Mortgage Companies, and a series of laws aimed at reducing foreclosures and granting greater protections to home owners.

At the height of the foreclosure crisis in 2008, mortgage foreclosure petitions in Boston numbered more than 2,000. While these historically high numbers are behind us, in 2016, compared to 2015, Boston saw an increase of 84% in right-to-cure notices sent to mortgage borrowers from lending institutions and an increase in foreclosure sales to 80 from 47.¹

Some attribute the increase to the regulations implemented in response to the mortgage crisis that added as much as two years to the foreclosure process, thereby adding backlog numbers to new filings. In Massachusetts, for example, 61% of all loans actively in foreclosure as of the end of 2016 were originated between 2004 and 2008.²

Lending to Minorities and Low- and Moderate-Income Borrowers

In 2016, Boston was among only five cities which accounted for 43.9% of all loans to blacks in Massachusetts.³

Since 2012 non-FHA loans to black and Latino borrowers have steadily increased. At the same time, the overall share of FHA home loans to blacks was 35% and 39% to Latinos, while only 7% for whites. Denial rates for black and Latino borrowers for non-FHA loans was much higher than the corresponding denial rates for whites. In Boston, the denial rate for non-FHA loans was 16.6% for blacks, 9.5% for Latinos and 4.7% for whites.⁴

¹ www.mass.gov

² www.attomdata.com.

³ Changing Patterns XXIV.

⁴ Ibid



Overall for Boston, the share of loans to low- and moderate-income borrowers has declined to 16.2% in 2016 from its high of 36.3% in 2009.⁵ A low-income family in the assessment area is a family with an income of \$50,000 or lower. These borrowers are unlikely to qualify for a mortgage under conventional underwriting standards, especially considering the 2016 median housing value of more than \$450,000 inside the assessment area.

*FHA loans are loans insured by the Federal Housing Administration. While a reasonable option for those unable to obtain a conventional loan, FHA loans are typically costlier and can indicate a lack of availability of conventional loans.⁶

Mortgage Lending Trends 2016⁷

- The 16 banks covered in this report originated approximately 342 more HMDA Mortgage Loans in 2016 than in 2015. This represents a 13% increase over 2015. Originations had decreased between 2015 and 2014 following a three-year period of continued growth.
- The proportion of applications that resulted in originations between 2016 and 2015 was roughly equal however this number has increased steadily from 70% in 2010 to 77% in 2016.
- Mortgage applications by minority applicants have held steady since 2007 as a percentage of total applications, at around 30%.
- The loan origination rate for minority applicants has risen steadily from 65% in 2010 to 74% in 2015 and 73% in 2016. This percentage continues to be less than the origination rate from all applicants which was of 77% in 2016.
- The number of low-income HMDA mortgage applications remained steady from 2008 to 2013, with 1200 to 1500 applications each year, before dropping slightly in 2014 to 1,040 and 1033 in 2015. This number rose in 2016 to 1093.
- The origination rate for low-income mortgage applications rose from 57% in 2007 to 65% in 2015 and 68% in 2016, but still lags well behind the 78% aggregate origination rate.

⁵ Ibid.

⁶ Changing Patterns XXIV.

⁷ Mortgage Trend information does not factor in data for Commerce Bank & Trust and People's United Bank, since these banks were added to the report in 2016, data prior is unavailable.



- The 16 banks profiled in this report received 15% of the mortgage applications submitted in Boston in 2016, and made 15% of the originations by number.

Small Business Lending Trends 2016⁸

- The total number of small business loans originated in Suffolk County increased from 19,448 in 2015 to 22,452 in 2016. Small business loan dollars also increased, from \$710 million in 2015 to \$835 million in 2016.
- 2016 saw higher proportions of loans to low-, moderate-, and middle-income census tracts with a lower proportion extended in upper-income census tracts.
- The 13 banks profiled in this report originated \$395 million in small business loans in Boston in 2016, totaling 47.3% of the total small business loan dollars originated in the area.
- The percentage of total Boston-area small business loan dollars originated by the banks profiled in this report declined from 2011 to 2015, from 53% of all small business loan dollars to 44%. In 2016, the percentage increased to 47.3%.

⁸ See the 2016 Small Business Linked Deposit Banking Report to the Mayor for the list of CRA-reported Small Business Lenders contained in this report. Of the 18 banks covered, 13 have reported Small Business data.



Bank of America, N.A.

Bank of America is a \$2.2 trillion full-service interstate bank headquartered in Charlotte, North Carolina. Bank of America services 57 million consumer and small business relationships. Community development initiatives are a major focus of the bank, particularly in its role as a developer of affordable housing. The bank maintains approximately 4,600 retail branches.

Overall CRA Rating for Boston MSA (2011): OUTSTANDING

Lending Test Rating for Boston MSA: HIGH SATISFACTORY

Bank of America is nationally recognized as a leader in providing loans for affordable housing. The bank's lending performance in the Boston MSA was rated High Satisfactory, and displayed good distribution of loans among geographies and of borrowers of different income levels throughout its assessment areas. However, for home purchase loans, the percentages of the bank's loans to LMI individuals are below the percentage of these families in the assessment area.

Investment Test Rating for Boston MSA: OUTSTANDING

Overall, Bank of America's investment activity reflected excellent responsiveness in the assessment areas. The bank demonstrated significant leadership in its qualified investment activities during the CRA assessment period.

Service Test Rating for Boston MSA: OUTSTANDING

Bank of America provided an excellent level of community development services during the CRA assessment period. The bank's provision of retail services showed excellent responsiveness to the banking needs of geographies and individuals of different income levels.

Bank of America originated 475 home mortgage loans in Boston in 2016, including 11 low-income loans, making it one of the biggest home mortgage lenders in Boston. The bank originated 3488 small business loans in 2016, totaling \$85.5 million—10.2% of total small business loan dollars in Suffolk County.

Blue Hills Bank

Blue Hills Bank is a full-service community bank headquartered in the Hyde Park neighborhood of Boston. The bank's assets total \$2.5 billion. In 2015, loans secured by one-to four-family residential properties made up 50.8% of the bank's loan portfolio.

Overall CRA Rating (2015): SATISFACTORY

Lending Test Rating: SATISFACTORY

Blue Hills Bank's overall lending volume during the CRA review period reflected adequate responsiveness to assessment-area credit needs. The bank's home mortgage lending displayed adequate responsiveness to the needs of low- and moderate-income borrowers.

Investment Test Rating: OUTSTANDING

Blue Hills Bank made an excellent level of qualified community development investments and grants during the review period.



Service Test Rating: HIGH SATISFACTORY

The CRA evaluation found that the bank's service delivery systems were accessible to essentially all portions of the bank's assessment area. Blue Hills Bank provides a relatively high level of community development services.

Blue Hills Bank originated 287 home mortgage loans in Boston in 2016, including 8 low-income loans. The bank originated 18 small business loans in 2016, totaling \$5.5 million or 0.7% of total small business loan dollars in Suffolk County.

BNY Mellon, N.A.

BNY Mellon, N.A is an interstate bank headquartered in Pennsylvania. Wealth management is the core business of the bank, which conducts limited lending activities primarily as an accommodation to their wealth management and private banking customers. Loans secured by one- to four-family residential properties (\$5.8 billion) made up 49% of the bank's \$15.2 billion net loans and leases. In 2016, BNY Mellon had total assets of \$24.4 billion.

Overall CRA Rating for Massachusetts (2013): OUTSTANDING

During the assessment period, BNY Mellon demonstrated a very high level of Community Development loans, services, and qualified investments in relation to its capacity and opportunities, given the highly competitive Community Development environment in the assessment area during the evaluation period. The bank demonstrated rare use of innovative or complex community development investments, loans, and services. Finally, the bank also demonstrated adequate responsiveness to credit and community development needs in the assessment area. Several community development loans, qualified investments, and community development services provided affordable housing targeted to low- and moderate-income individuals, which were in direct response to identified community needs.

In 2016, BNY Mellon originated 48 HMDA loans in Boston. No low-income loans were originated by the bank in 2016.

Boston Private Bank & Trust Company

Boston Private Bank is a \$7.8 billion wealth management and private banking company 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 for Massachusetts (2014): OUTSTANDING

Lending Test Rating for Massachusetts: HIGH SATISFACTORY

Boston Private Bank's lending activity during the CRA evaluation period reflected good responsiveness to the assessment area's credit needs and was better than the bank's overall Lending Test performance. During the assessment period, the bank achieved good



dispersion of home mortgage loans throughout the assessment area, particularly in low- and moderate-income tracts. The bank made extensive use of innovative and flexible lending programs to help lower-income individuals achieve homeownership. Boston Private Bank is a leader in funding community development loans in the assessment area.

Investment Test Rating for Massachusetts: OUTSTANDING

Boston Private Bank had a significant level of community development investments during the evaluation period. The bank's qualified investments demonstrated an excellent responsiveness to the assessment area's credit and community development needs. In addition, the bank made extensive use of innovative or complex investments to support community development initiatives.

Service Test Rating for Massachusetts: HIGH OUTSTANDING

During the assessment period, the bank's performance under the Service Test was stronger than overall performance. Members of the bank's staff are extensively involved in community development activities. The bank's systems for delivering retail banking services were reasonably accessible to essentially all portions of the assessment area.

In 2016 Boston Private Bank originated 169 HMDA mortgages in Boston, including 11 low-income HMDA loans. Boston Private Bank originated 93 small business loans in Boston in 2016 for a total of \$35.4 million, or 4.2% of all small business loan dollars in Boston.

Cathay Bank

Cathay Bank is an \$14.5 billion commercial bank headquartered in Los Angeles, California. The bank primarily operates in California markets with a concentration of Chinese-American individuals and businesses, and is primarily a commercial lender. Cathay Bank operates one branch in Massachusetts; the bank's Massachusetts activities account for only a minor portion of overall activities.

Overall CRA Rating for Massachusetts (2016): SATISFACTORY

Lending Test Rating for Massachusetts: LOW SATISFACTORY

Cathay Bank's lending levels during the CRA evaluation period reflected an adequate responsiveness to Boston's credit needs, though the bank's level of home mortgage lending in Boston was consistently low. The geographic distribution of small business loans reflects poor penetration throughout the Boston assessment area.

Investment Test Rating for Massachusetts: OUTSTANDING

Cathay Bank had an excellent level of qualified community development investments and grants in Boston during the review period. Cathay Bank made or help qualified investments totaling \$12.7 million during the review period. The bank makes extensive use of complex investments to support community development initiatives, including affordable housing.

Service Test Rating for Massachusetts: LOW SATISFACTORY

Given the bank's limited presence in Massachusetts, Cathay Bank provided an adequate level of qualified community development services in Boston during the assessment period. A significant majority of the bank's community development services during this time focused on community services to low- and moderate-income individuals.



Cathay Bank's HMDA lending levels increased in 2016, to 29 total loans originated from seven loans originated in 2015. The bank's low-income lending during this period remained at zero for 2014, 2015 and 2016. Cathay Bank originated seven small business loans in Boston in 2016 for a total of \$2.2 million in small business loan dollars.

Century Bank and Trust Company

Century Bank is a \$4.5 billion commercial bank headquartered in Medford, Massachusetts. Century Bank operates 28 branches in 19 Massachusetts cities and towns. In 2016, one- to four-family residential mortgages accounted for 23% of the bank's net loans and leases.

Overall CRA Rating (2014): HIGH SATISFACTORY

Lending Test Rating: HIGH SATISFACTORY

During the CRA evaluation period, Century Bank's lending activity reflected good responsiveness to credit needs in its assessment area, considering the size of the institution and the level of competition within the assessment area. Century Bank's loans reflected good penetration among individuals of different income levels, including low- and moderate-income. The bank also made a relatively high level of community development loans.

Investment Test Rating: HIGH SATISFACTORY

The level of qualified investments made by Century Bank is significantly higher than the previous examination. The bank had a significant level of qualified community development investments during the CRA evaluation period; however, the bank only occasionally uses innovative and/or complex investments to support community development initiatives.

Service Test Rating: HIGH SATISFACTORY

Century Bank effectively delivers retail banking and community development services, including financial expertise for community development groups, within the assessment area. The bank's service delivery systems were readily accessible to essentially all portions of the assessment area during the evaluation period.

In 2016, Century Bank originated 29 HMDA loans in Boston, compared to 36 originated in 2015. The bank originated two low-income HMDA loans in Boston in 2016, consistent with historical lending levels. Century Bank originated 67 small business loans in Boston in 2016, totaling \$13.9 million.

Citizens Bank, N.A. (Formerly RBS Citizens, N.A.)

Citizens Bank is a \$147 billion full-service bank headquartered in Providence, Rhode Island. The bank's primary focus is retail banking, with an emphasis on mortgage and consumer lending. Citizens Bank's largest market is the Boston-Cambridge-Quincy Multistate Metropolitan Area (MMA).



Overall CRA Rating for Boston MSA (2012): SATISFACTORY

Within the Boston MSA the CRA evaluation focused on the Boston-Quincy Metropolitan Division (MD), which is comprised of Suffolk, Norfolk, and Plymouth counties.

Lending Test Rating for Boston MSA: HIGH SATISFACTORY

Citizens Bank's lending activity in the Boston-Quincy Metropolitan Division during the evaluation period was excellent. The bank's distribution of home mortgage loans to low- and moderate-income geographies and borrowers was considered good, as was distribution of small business loans.

Investment Test Rating for Boston MSA: HIGH SATISFACTORY

The bank's performance in the Boston-Quincy Metropolitan Division during the review period was considered good. A substantial majority of the dollar volume of the bank's investment transactions was focused on affordable housing, a primary credit need in the area. The bank also makes charitable grants to Boston organizations working on community revitalization.

Service Test Rating for Boston MSA: OUTSTANDING

Citizens Bank's performance in the Boston-Quincy Metropolitan Division during the CRA assessment period was considered excellent. The bank's service delivery systems were accessible to geographies and individuals of different income levels, and the bank provided an excellent level of community development services.

Citizens Bank originated 371 HMDA loans in Boston in 2016, including 16 low-income HMDA loans. The bank's level of HMDA lending increased from 295 originations in 2015. Citizens Bank has historically been among the top SBA lenders in Massachusetts, and ranked among the top 10 in 2015, when it originated 565 small business loans in Boston, totaling \$34.8 million. This represents 4.2% of total small business loan dollars in Boston.

Commerce Bank & Trust

Commerce Bank & Trust is a \$2.2 billion commercial bank headquartered in Worcester, Massachusetts. The bank operates three branches in Boston and in 2016 was primarily a commercial lender. In 2017 Commerce Bank & Trust was acquired by Berkshire Hills Bancorp, Inc. and pending finalization of the acquisition in 2018 retains the name Commerce Bank. This report and the most recent CRA document provide an overview of the pre-acquisition organization.

Overall CRA Rating (2014): SATISFACTORY

During the CRA evaluation period, Commerce Bank had an adequate record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods.

Lending Test Rating: SATISFACTORY

Commerce Bank did not enter the Boston assessment until its acquisition of Mercantile in August 2012. Given the limited time in the area, small number of branches (three), and level of competition, the performance in the Boston assessment area reflects adequate responsiveness.



Investment Test Rating: SATISFACTORY

The Satisfactory rating is for the combined assessment areas including the Boston and Worcester Metropolitan Statistical Areas. Commerce entered the Boston assessment area as the result of the acquisition of Mercantile Bank in August 2012. As described in the 2014 CRA evaluation a review of the Bank's qualified investments in 2013 and 2014 revealed no investments and the level of qualified investments was described as poor.

Service Test Rating: HIGH SATISFACTORY

The Bank maintains three branches and four ATMs in Boston. Two branches are located in low-income census tracts and one branch is located in a moderate-income census tract.

Commerce Bank & Trust's lending levels increased from 2015 to 2016. In 2015, the bank originated no HMDA loans, as compared to 2 in 2016. The bank originated no low-income HMDA loans in 2016. The bank originated 221 small business loans in 2016 in Boston, totaling \$62.6 million or 7.5% of the total business loan dollars in the Boston area.

Commonwealth Cooperative Bank

Commonwealth Cooperative Bank is a \$183 million state-chartered cooperative bank headquartered in Boston, Massachusetts. The bank operates three branches in Boston, and is primarily a residential lender.

Overall CRA Rating (2017): SATISFACTORY

During the CRA evaluation period, Commonwealth Cooperative Bank had a reasonable record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods.

Lending Test Rating: NOT RATED

Investment Test Rating: NOT RATED

Service Test Rating: NOT RATED

Commonwealth Cooperative Bank's lending levels increased from 2015 to 2016. In 2016, the bank originated 22 HMDA loans, as compared to 7 in 2015. The bank originated no low-income HMDA loans in 2016. No 2015 HMDA-reportable small business loan data was available for Commonwealth Cooperative Bank.

East Boston Savings Bank

East Boston Savings Bank is a \$4.3 billion Massachusetts-chartered bank headquartered in East Boston. At the end of 2016, the bank's one- to four-family residential loans totaled \$575.8 million or 15% of total net loans and leases.



Overall CRA Rating (2017): SATISFACTORY

Lending Test Rating: HIGH SATISFACTORY

Overall, the bank showed good responsiveness to assessment area credit needs. The bank's lending in low-income census tracts increased by number and overall percentage in 2016

Investment Test Rating: SATISFACTORY

East Boston Savings Bank has an adequate level of qualified investments, although it rarely uses innovative or complex initiatives. Investments provided adequate responsiveness to credit and community development needs in the assessment area.

Service Test Rating: HIGH SATISFACTORY

East Boston Savings Bank's delivery systems are accessible throughout its assessment area, and its record of opening and closing branches during the evaluation period improved accessibility, particularly in low- and moderate-income neighborhoods. During the examination period, the bank opened four new branches at the following locations: two in Boston and two in Brookline. In addition, the bank started its mobile branch in 2016. The bank has not closed any retail branches since the last evaluation.

East Boston Savings Bank originated 94 HMDA loans in Boston in 2016, and no low-income home mortgage loans. The bank originated 41 small business loans in 2016 in Boston, totaling \$23.4 million.

Eastern Bank

Eastern Bank, founded in 1818, is the oldest and largest mutual bank in the United States. The bank has \$9.8 billion in assets and is headquartered in Boston. 27.4% of the bank's loan portfolio is comprised of one- to four-family residential mortgages.

Overall CRA Rating (2014): OUTSTANDING

Lending Test Rating: HIGH SATISFACTORY

Eastern Bank's lending reflected good responsiveness to the credit needs of the assessment area. Within the evaluation period, the bank originated 87.5% of home mortgages and 94.7% of small business loans within the assessment area. The bank exhibited a good record of serving the credit needs of the most economically disadvantaged areas and low-income individuals within its assessment area. Eastern Bank was Massachusetts' number-one SBA lender in 2015.

Investment Test Rating: OUTSTANDING

The bank's qualified community development investments and donations reflect an excellent level of responsiveness to the credit and community development needs. The bank has taken a leadership role in making investments through innovative and complex means not routinely provided by other investors.

Service Test Rating: OUTSTANDING

The Bank's Service Test performance is rated "Outstanding." Delivery systems are readily accessible to essentially all portions of the assessment area, and services are tailored in a way that would not inconvenience the needs of the assessment area, particularly the low-



and moderate-income geographies and individuals. Eastern Bank is a leader in providing community development services.

In 2016, Eastern Bank originated 220 HMDA loans in Boston. The bank originated eight low-income loans in 2016. Eastern Bank was a major small business lender in Boston in 2016, with 663 small business loans totaling \$93.9 million, or 11.2% of all small business loan dollars in Boston.

JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank has over \$2.1 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

JPMorgan Chase Bank's most recent CRA 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 2016, the bank originated 398 HMDA loans and four low-income loans in Boston. Although the bank is the nation's fourth-largest U.S. Small Business Administration (SBA) lender, its 2016 small business lending in Boston was limited to 45 small business loans totaling \$2.1 million, or 0.2% of total small business loan dollars in Boston.

OneUnited Bank

OneUnited Bank is a minority-owned, commercially chartered financial institution with current assets of \$654.9 million. Headquartered in Boston, the bank maintains branches in Massachusetts, Florida, and California. The bank's lending in Massachusetts and Florida has been extremely limited, however.

Overall CRA Rating for Massachusetts (2016): NEEDS TO IMPROVE

Lending Test Rating for Massachusetts: NEEDS TO IMPROVE

The CRA evaluation found that OneUnited Bank did not adequately meet the credit needs of the Massachusetts assessment area. The evaluation indicated that during the assessment period, the bank's performance in the Massachusetts assessment area reflected a poor penetration among individuals of differing income levels.



Community Development Test Rating for Massachusetts: SATISFACTORY

OneUnited Bank's overall community development performance demonstrates adequate responsiveness to community development needs in the Boston area, primarily through qualified donations and community development services with an emphasis on financial literacy.

In 2016, OneUnited Bank originated no HMDA loans in the Boston MSA. The bank originated no low-income HMDA loans in Boston. No 2016 HMDA-reportable small business loan data was available for OneUnited Bank.

People's United Bank, N.A

People's United Bank, headquartered in Bridgeport, Connecticut, is a subsidiary of People's United Financial, Inc., a diversified financial services company with over \$40.2 billion in assets at the close of business in 2016.

Overall CRA Rating for Boston MSA (2013): NEEDS TO IMPROVE

People's United Bank received its most recent CRA rating in 2013. While the bank's overall CRA rating was Satisfactory the rating for the Boston Metropolitan Statistical Area was Needs to Improve. People's bank first entered the Boston market with the acquisition of Butler Bank in 2010.

Lending Test Rating for Boston MSA: LOW SATISFACTORY

People's United Bank's lending performance in the Boston metropolitan statistical area was rated Low Satisfactory. By 2016 the lending activity in the Boston metropolitan statistical area had increased substantially.

Investment Test Rating Boston MSA: SUBSTANTIAL NON-COMPLIANCE

The bank's performance under the 2013 CRA evaluation Investment Test in Boston Metropolitan Statistical Area is rated "Substantial Noncompliance". However, Since the 2013 CRA evaluation People's United Bank has expanded its Massachusetts presence in charitable giving, lending and Community Development.

Service Test Rating Boston MSA: LOW SATISFACTORY

The bank's branch distribution in 2012 and 2013 was good. Branches were accessible to essentially all portions of the assessment areas. The percentage of branches in moderate-income geographies exceeded the percentage of population in those geographies. The bank did not have branches in low-income geographies.

In 2016, People's United Bank originated 192 HMDA loans in Boston of which 3 were low-income loans. As this is the first year People's United bank is included in this report, historical data is not available. The bank originated 52 small business loans in 2016 in Boston, totaling \$6.2 million or 0.7% of loans in the Boston MSA.



Radius Bank (Formerly First Trade Union Bank)

Radius Bank is a \$946.5 million full-service bank headquartered in Boston with clients nationwide. In 2016, one- to four-family residential mortgages made up 25% of its lending portfolio. In October 2014, the bank changed its name to Radius Bank. It was formerly known as First Trade Union Bank.

Overall CRA Rating for Massachusetts (2014): SATISFACTORY

Lending Test Rating for Massachusetts: SATISFACTORY

The bank's distribution of loans during the evaluation period reflected reasonable penetration among individuals of different income levels and businesses of different sizes.

Community Development Test Rating for Massachusetts: SATISFACTORY

Radius Bank's community development performance during the assessment period demonstrated adequate responsiveness to community needs through loans, investments, and services. The bank's community development investments and services were considered satisfactory.

In 2016, Radius Bank originated 4 HMDA loans in Boston of which 1 was a low-income loan. No 2015 small business loan data was available for First Trade Union Bank.

Santander Bank, N.A.

With \$83.1 billion in assets, Santander Bank is one of the country's top retail banks by deposits, offering a broad spectrum of products and services for personal, business, commercial and corporate banking customers. Santander Bank is the arm through which Santander U.S. carries out banking in the United States. Santander U.S. is part of the Santander Group, an international banking group founded in 1857. In 2012, the bank converted from a thrift to a national bank, and in 2013 it changed its name from Sovereign Bank to Santander Bank.

Overall CRA Rating for Boston MSA (2013): SATISFACTORY

Lending Test Rating for Boston MSA: HIGH SATISFACTORY

The bank's performance in the Boston Metropolitan Division demonstrates good levels of lending with good responsiveness to the assessment area's credit needs. The use of unique or flexible lending programs in this assessment area was limited during the evaluation period. Santander Bank's community development lending had a neutral effect on the 2013 rating.

Investment Test Rating for Boston MSA: NEEDS TO IMPROVE

Santander Bank's Investment Test rating for the CRA evaluation period was Low Satisfactory for its national activities, and Needs to Improve for its Boston MSA community development investment activities. Investment Test performance in the Boston Metropolitan Division is very poor.



Service Test Rating for Boston MSA: LOW SATISFACTORY

Santander Bank provided a poor level of community development services in Boston during the review period. Participation in local organizations includes leadership positions within those organizations with eight employees in the Metropolitan Division serving as board or committee members for ten Community Development organizations.

In 2015, the Bank originated 462 HMDA-reportable loans in Boston, including 23 low-income HMDA loans. No 2015 HMDA-reportable small business loan data was available for Santander Bank.

TD Bank, N.A.

TD Bank is a \$246.4 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 1,270 retail branches in 15 states and the District of Columbia.

Overall CRA Rating for Boston MSA (2013): OUTSTANDING

Lending Test Rating for Boston MSA: HIGH SATISFACTORY

TD Bank's lending performance during the CRA review period is good. The bank's overall level of lending activity was good, combined with good borrower distribution and good geographic distribution for all products with the exception of home refinance loans in low-income geographies. The bank's high level of community development lending significantly impacted its lending rating.

Investment Test Rating for Boston MSA: OUTSTANDING

TD Bank's overall investment performance during the assessment period was 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 for Boston MSA: HIGH SATISFACTORY

During the evaluation period, TD Bank had excellent distribution of branches and provided 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 home mortgage education and social services for low- and moderate-income families.

In 2016, TD Bank originated 72 HMDA loans in Boston of which 5 were low-income HMDA loans. TD Bank is a Small Business Administration Preferred Lender. The bank originated 183 small business loans in 2016 in Boston, for a total of \$25.1 million in small business loan dollars.

Webster Bank, N.A.

Webster Bank is a midsize interstate bank with \$24.6 billion in assets. Headquartered in Waterbury, Connecticut, the majority of the bank's business in Massachusetts takes place in



the Boston-Quincy Metropolitan Division (MD), which accounts for 91.5% of total deposits in Massachusetts.

Overall CRA Rating for Massachusetts (2014): SATISFACTORY

Lending Test Rating for Massachusetts: HIGH SATISFACTORY

Webster Bank's Boston-area lending during the CRA review period was considered good. The bank's high-level performance in originating home mortgage loans and small business loans was commensurate with its limited presence in the state. The bank's Boston-area lending was especially strong considering the significant competition in the area.

Investment Test Rating for Massachusetts: OUTSTANDING

The bank's Investment Test performance in the Boston Metropolitan Division was considered excellent. Investments made during the CRA evaluation period support affordable housing. The bank's grants and donations during this time focused on affordable housing, economic development, community services for low- and moderate-income individuals, and community revitalization and stabilization efforts.

Service Test Rating for Massachusetts: HIGH SATISFACTORY

Webster Bank's branch distribution in the assessment area was considered good in light of the bank's rather limited presence in the area. Branches were accessible to geographies and individuals of different income levels. The bank's performance in providing community development services in the Boston assessment area was considered adequate.

Webster Bank's HMDA lending in Boston increased from 2014 to 2016, from 114 loans in 2014 to 223 loans in 2016. The bank's low-income lending increased, with 2 loans in 2014 and 3 loans in each of 2015 and 2016. The bank originated 37 small business loans in Boston in 2016, totaling \$6.4 million.



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BankIQ prepared this document for the City of Boston.

With over twenty-five 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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