



# 2017 Linked Deposit Banking Report to the Mayor

EXECUTIVE SUMMARY



**CITY OF BOSTON**





Prepared August 2019 by BankIQ

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## ABOUT THIS DOCUMENT

This Executive Summary provides a high-level brief of the City of Boston 2017 Linked Deposit Banking Report to the Mayor. This document contains an introduction to the overall lending environment in Boston in 2017; a summary of the trends impacting lending and housing in Boston in 2017; and summary overviews of the 22 banks that are reviewed in detail in the full report.

This document offers a brief précis of the 2017 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 22 banks; an analysis of small business lending in Boston; and HMDA loan information by census tract in Suffolk County.

New to the 2017 report are Berkshire Bank, Dedham Institute for Savings, Leader Bank and Rockland Trust Bank. Because these banks are not part of the historical data contained in this report, data for these banks is not part of the “Trend Analysis” for mortgage information. Data for these institutions is included, where appropriate, in the “Small Business Trend” section of this Executive Summary (pages 5 and 6).

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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 2017 Linked Deposit Banking Report to the Mayor contains information on 2017 mortgage lending rates and patterns for each of the following 22 banks:

- Bank of America, N.A.
- BNY Mellon, N.A.
- Berkshire Bank (new to 2017 report)
- Blue Hills Bank
- Boston Private Bank & Trust Company
- Cathay Bank
- Century Bank and Trust Company
- Citizens Bank, N.A.
- Commerce Bank & Trust
- Commonwealth Co-operative Bank
- Dedham Institute for Savings (new to 2017 report)
- East Boston Savings Bank
- Eastern Bank
- JPMorgan Chase Bank, N.A.
- Leader Bank (new to 2017 report)
- OneUnited Bank
- People's United Bank. N.A.
- Radius Bank
- Rockland Trust Bank (new to 2017 report)
- Santander Bank, N.A.
- 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 2017.



## State of Banking in the City of Boston

### 2017 Boston Home Ownership

In 2017 homeownership for City of Boston residents was challenging in several regards. With an 11% population increase in Boston from 2010 to 2017 (compared with a 5% increase for the U.S. population as a whole), demand has overtaken supply, which has caused housing prices to rise.<sup>1</sup> Limited housing, increased pricing and shifts in oversight for mortgage lenders create fresh challenges in the Boston housing market.

### Cost of Homeownership

In 2017 Boston housing prices were at an all-time high, having risen by 61% since 2007 to a median price of \$580,000 for a single-family home.<sup>2</sup> This price increase makes home ownership challenging, if not out-of-reach, for a low-income family earning a median annual income under \$50,000 and a moderate-income family with a median annual income under \$80,000.

### Lending to Minorities and Low- and Moderate-Income Borrowers

Blacks and Latinos have consistently received shares of total loans far below their population shares; the loans they do obtain have been much more likely to be higher interest loans (i.e. FHA loans); and their applications for mortgage loans has been much more likely to be denied at higher rates.<sup>3</sup>

Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive loans insured by the Federal Housing Administration (FHA loans\*) in 2017 than their white or Asian counterparts. In the City of Boston, FHA loans accounted for 35% of loans to blacks, 27% of loans to Latinos, and 2% of loans to whites. The current high level of FHA loans, especially to traditionally underserved borrowers and neighborhoods, is not itself a problem, but is a constructive response to an underlying problem - the lack of availability of conventional loans to those borrowers and neighborhoods.<sup>4</sup>

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<sup>1</sup> [www.urban.org](http://www.urban.org) (Urban Institute)

<sup>2</sup> [www.Bostonmagazine.com](http://www.Bostonmagazine.com)

<sup>3</sup> Changing Patterns XXV.

<sup>4</sup> Ibid.



Similarly affected are low- and moderate- income borrowers. In 2017, the low- and moderate-income share of FHA loans in Greater Boston was 35.5% up from 31.7% in 2016.<sup>5</sup>

Historically, denial rates for conventional mortgage loans have been higher for Blacks and Latinos yet this discrepancy is not based solely on income. In Greater Boston, the denial rate for borrowers with incomes between \$101,000 and \$125,000 was 10.2% for Blacks, 7.4% for Latinos, and 3.7% for whites.<sup>6</sup>

\*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.

## Reduction in Loans originated by CRA Regulated Institutions

In both 2016 and 2017 Massachusetts banks and credit unions (the only lenders covered by the federal and/or state Community Reinvestment Act) did not clearly outperform other types of lenders by making larger shares of their loans to traditionally underserved borrowers and neighbors. This is a historic shift.<sup>7</sup>

The Community Reinvestment Act has been singularly successful in driving access to fair credit for all borrowers. Lenders covered by CRA extend a greater share of their loans to minority applicants, to low- and moderate-income census tracts, and to low- and moderate-income individuals, than do lenders not covered by the CRA. CRA-covered lenders also direct a greater share of conventional prime loans (as opposed to government backed loans) to all of these categories of traditionally underserved borrowers.<sup>8</sup>

And while the 2007 legislation entitled “Act Protecting and Preserving Homeownership” provided CRA-like oversight to include non-bank lenders of 50 mortgages or more in Massachusetts, the Division of Banks has yet to meet its stated policy of examining each licensed mortgage lender (LML) “at least once every 48 months”. Of the 86 currently-licensed LMLs that were qualified for coverage under the state’s CRA for Mortgage Lenders regulation by reporting 50 or more Massachusetts loans in both 2016 and 2017 HMDA data, only 48 (55.8% of the total) have received a CRA rating within the last four years.<sup>9</sup>

## Foreclosure Update

Nationally, the share of loans in negative equity continued the decline to 4.9 % in Q3 2017 and both modifications and liquidations continued to slow down through Q3 in 2017.<sup>10</sup>

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<sup>5</sup> Changing Patterns XXV.

<sup>6</sup> Changing Patterns XXV.

<sup>7</sup> Ibid.

<sup>8</sup> Changing Patterns XX.

<sup>9</sup> [www.mahahome.org](http://www.mahahome.org) (Massachusetts Housing Alliance)

<sup>10</sup> [www.urban.org](http://www.urban.org) (2017 Monthly Chartbook)



Loans with negative equity facing foreclosure are down to a 12 year-low nationally and down 22% in Massachusetts from 2016.<sup>11</sup> Bank repositions, foreclosure starts, and scheduled foreclosure auctions are all down in Boston year-over-year.

## **Mortgage Lending Trends 2016<sup>12</sup>**

Banks covered in this report originated approximately 402 more HMDA Mortgage Loans in 2017 than in 2016. This represents a 13% increase over 2016.

The proportion of applications that resulted in originations was 79.7% up slightly from 77% in 2016. This number has increased steadily from 70% in 2010.

Mortgage applications by minority applicants as a percentage of total applications have held steady since 2007 at around 30%.

The loan origination rate for minority applicants had risen steadily from 65% in 2010 to 73% in 2016 but declined to 69% in 2017. This percentage continues to be less than the origination rate for all applicants which was 79.7% in 2017.

The total number of low-income HMDA mortgage applications remained steady from 2008 to 2013, with 1,200 to 1,500 applications each year, before dropping in 2014 to 1,040 and 1,033 in 2015. This number rose in 2016 to 1,093 and declined in 2017 to 948 applications.

The origination rate for low-income mortgage applications was 68% in 2016 and 62% in 2017.

The 22 banks profiled in this report received 19% of the mortgage applications submitted in Boston in 2017 and made 18% of the originations by number.

## **Small Business Lending Trends 2016<sup>13</sup>**

The total number of small business loans originated in Suffolk County increased from 22,452 in 2016 to 23,804 in 2017. Small business loan dollars decreased, from \$835 million in 2016 to \$794 million in 2017.

2016 saw higher proportions of small business loans to low-, moderate-, and middle-income census tracts with a lower proportion extended in upper-income census

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<sup>11</sup> [www.attomdata.com](http://www.attomdata.com)

<sup>12</sup> Mortgage Trend year-over-year information does not factor in data for Leader Bank, Dedham Institute for Savings and Rockland Trust since these banks were added to the report in 2017, prior data is unavailable. Berkshire Bank was included as a replacement for Blue Hills Bank as its purchaser.

<sup>13</sup> See the 2017 Small Business Linked Deposit Banking Report to the Mayor for the list of CRA-reported Small Business Lenders contained in this report. Of the 22 banks covered, 15 have reported Small Business data.





tracts. While in 2017 the highest number of loans and greatest dollar amount went to the upper-income tracts.

The 15 banks profiled in this report originated \$367 million in small business loans in Boston in 2017, totaling 46.3% of the total small business loan dollars originated in the area.



## **Bank of America, N.A.**

Bank of America is a \$2.3 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 434 home mortgage loans in Boston in 2017, including 8 low-income loans, making it one of the biggest home mortgage lenders in Boston. The bank originated 3,393 small business loans in 2017, totaling \$87.3 million—11.0% of total small business loan dollars in Suffolk County.

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## **Berkshire Bank**

With \$11.5 billion in assets at the close of 2017, Berkshire Bank is a state-chartered commercial bank operating in MA, NY, CT, VT, NJ, and PA. Berkshire Hills Bancorp is the parent of Berkshire Bank, with corporate headquarters in Boston, the Company operates 135 branches across six Northeastern states.

### **Overall CRA Rating (2018): SATISFACTORY**

#### **Lending Test Rating: SATISFACTORY**

Berkshire Bank received a Satisfactory rating under the Lending Test for MA. Adequate Lending Test performances in the Boston and Pittsfield support the rating.

#### **Investment Test Rating: OUTSTANDING**

The bank made an excellent level of qualified community development investments and grants in Massachusetts.

#### **Service Test Rating: HIGH SATISFACTORY**

The bank is rated High Satisfactory in the Service Test. Service test for Boston is considered good.

Berkshire Bank originated 182 home mortgage loans in Boston in 2017, including 2 low-income loans. The bank originated 178 small business loans in 2017, totaling \$49.1 million or 6.2% of total small business loan dollars in Suffolk County.

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## **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 \$2.66 billion. In 2017, loans secured by one-to four-family residential properties made up 48.8% 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 454 home mortgage loans in Boston in 2017, including 8 low-income loans. The bank originated 11 small business loans in 2016, totaling \$3.9 million or 0.5% of total small business loan dollars in Suffolk County.

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## **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 made up 55% of the bank's \$16.2 billion net loans and leases. In 2017, BNY Mellon had total assets of \$23.9 billion.

### **Overall CRA Rating for Massachusetts (2017): OUTSTANDING**

BNY Mellon demonstrates a high level of community development loans, community development services, and qualified investments in relation to its capacity and opportunities in the assessment area. The Bank demonstrated good 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 2017, BNY Mellon originated 22 HMDA loans in Boston. No low-income loans were originated by the bank in 2016.

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## **Boston Private Bank & Trust Company**

Boston Private Bank is a \$8.1 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 (2018): OUTSTANDING**

#### **Lending Test Rating for Massachusetts: HIGH SATISFACTORY**

Boston Private Bank's lending activity during the CRA evaluation period reflected good responsiveness to the Boston assessment area credit needs. Boston Private Bank is a leader in funding Community Development loans in the Massachusetts assessment area.

#### **Investment Test Rating for Massachusetts: OUTSTANDING**

The bank's qualified investments demonstrated an excellent responsiveness to the assessment area's credit and community development needs.

#### **Service Test Rating for Massachusetts: OUTSTANDING**

Performance under the Service Test is rated Outstanding. The bank's systems for delivering retail banking services are accessible to essentially all portions of the assessment area.



In 2016 Boston Private Bank originated 171 HMDA mortgages in Boston, including 1 low-income loans.

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## **Cathay Bank**

Cathay Bank is an \$15.6 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 (2018): SATISFACTORY**

#### **Lending Test Rating for Massachusetts: LOW SATISFACTORY**

The Lending Test is rated Low Satisfactory. This conclusion is largely supported by adequate borrower profile, good geographic distribution, and a low level of community development lending.

#### **Investment Test Rating for Massachusetts: OUTSTANDING**

Cathay Bank has an excellent level of qualified investments and grants in the Boston assessment area. The levels and types of qualified investments held by the bank exhibit excellent responsiveness to credit and community development needs based on the opportunities for such investments.

#### **Service Test Rating for Massachusetts: LOW SATISFACTORY**

Cathay Bank's delivery systems were reasonably accessible to essentially all portions of the Boston assessment area during the CRA evaluation period.

Cathay Bank's HMDA lending levels in Boston decreased in 2017 to 13 loans originated. The bank's low-income lending during this period remained at zero in 2017. Cathay Bank originated 14 small business loans in Boston in 2017 for a total of \$2.9 million in small business loan dollars.

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## **Century Bank and Trust Company**

Century Bank is a \$4.7 billion commercial bank headquartered in Medford, Massachusetts. Century Bank operates 28 branches in 19 Massachusetts cities and towns. In 2017, one- to four-family residential mortgages accounted for 24.8% of the bank's net loans and leases.

### **Overall CRA Rating (2017): 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 2017, Century Bank originated 39 HMDA loans in Boston, compared to 29 originated in 2016. The bank originated one low-income HMDA loans in Boston in 2017. Century Bank originated 50 small business loans in Boston in 2016, totaling \$7.9 million.

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

Citizens Bank is a \$122 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 (2016): OUTSTANDING**

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: OUTSTANDING**

Citizens Bank's lending activity in the Boston-Quincy Metropolitan Division during the evaluation period was excellent. In the Boston metropolitan division, the bank ranked 3rd in deposits with a 7.84% market share. For home purchase loans, the bank ranked 9th with 3% market share.

#### **Investment Test Rating for Boston MSA: OUTSTANDING**

The bank's performance in the Boston metropolitan division was considered excellent. The Bank exhibited excellent responsiveness to the community development needs in the Boston metropolitan division.

#### **Service Test Rating for Boston MSA: OUTSTANDING**

Delivery systems were accessible to geographies and individuals of different income levels. At the time of the evaluation, there were 29 Citizens Bank branches located within 1000 feet of low- and middle-income geographies. Bank analysis indicates that 50% of the account openings in these branches are for the benefit of individuals living in low- or moderate-income census tracts.



Citizens Bank originated 406 HMDA loans in Boston in 2017, including 8 low-income HMDA loans. The bank's level of HMDA lending increased from 371 originations in 2016. Citizens Bank has historically been among the top SBA lenders in Massachusetts, and ranked among the top 10 in 2017, when it originated 862 small business loans in Boston, totaling \$44.2 million. This represents 5.6% of total small business loan dollars in Boston.

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## Commerce Bank & Trust

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.

No HMDA data is reported for year end 2017 for Commerce Bank & Trust. The bank originated 178 small business loans in 2017 in Boston, totaling \$44.2 million or 6.2% of the total business loan dollars in the Boston area.

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## Commonwealth Co-operative Bank

Commonwealth Co-operative Bank is a \$181 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 Co-operative 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 Co-operative Bank's lending levels increased from 2015 to 2017. In 2017, the bank originated 23 HMDA loans, as compared to 7 in 2015. The bank originated no low-income HMDA loans in 2016.

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### **Dedham Institute for Savings**

Dedham Institute for Savings is a \$1.5 billion state-chartered savings bank founded in 1891 and headquartered in Dedham, Massachusetts. At the end of 2017, the bank's one- to four-family residential loans totaled 10% of total net loans and leases.

### **Overall CRA Rating (2018): SATISFACTORY**

**Lending Test Rating: HIGH SATISFACTORY**

The bank's lending levels reflect adequate responsiveness to the credit needs of the assessment area. In 2016, Dedham Savings ranked 39<sup>th</sup> out of 556 lenders that originated or purchased at least one home mortgage loan in the assessment area.

**Investment Test Rating: HIGH SATISFACTORY**

The bank has a significant level of qualified investments. The bank exhibits excellent responsiveness to credit and community economic development needs.

**Service Test Rating: HIGH SATISFACTORY**

Dedham Institute for Savings is rated High Satisfactory under the Service Test. The bank's delivery systems are reasonably accessible to essentially all portions of the assessment area.

Dedham Institute for Savings originated 133 HMDA loans in Boston in 2017, and no low-income home mortgage loans. The bank originated 10 small business loans in 2017 in Boston, totaling \$2.8 million.

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### **East Boston Savings Bank**

East Boston Savings Bank is a \$5.2 billion Massachusetts-chartered stock savings bank headquartered in East Boston. At the end of 2017, the bank's one- to four-family residential loans totaled \$656.6 million or 14% 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 90 HMDA loans in Boston in 2017, and six low-income home mortgage loans. The bank originated 52 small business loans in 2017 in Boston, totaling \$25.7 million.

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## Eastern Bank

Eastern Bank, founded in 1818, is the oldest and largest mutual bank in the United States. The bank has \$10.9 billion in assets and is headquartered in Boston. 28.2% of the bank's loan portfolio is comprised of one- to four-family residential mortgages.

## Overall CRA Rating (2018): OUTSTANDING

### Lending Test Rating: OUTSTANDING

The geographic distribution of loans reflects excellent penetration throughout the assessment area. The bank's performance of home mortgage lending supports this conclusion. The geographic distribution of small business loans reflects excellent penetration throughout the assessment area.

### 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.

In 2017, Eastern Bank originated 228 HMDA loans in Boston. The bank originated nine low-income loans in 2017. Eastern Bank was a major small business lender in Boston in 2017,



with 442 small business loans totaling \$51.8 million, or 6.5% of all small business loan dollars in Boston.

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### **JPMorgan Chase Bank, N.A.**

JPMorgan Chase Bank has over \$2.2 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. (Of note, in 2018 Chase opened a banking branch in Boston at 50 Rowes Wharf and opened branches in Brookline and Dedham, with plans for further expansion in Massachusetts.)

#### **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 2017, the bank originated 325 HMDA loans and one low-income loan 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 30 small business loans totaling \$2.7 million, or 0.3% of total small business loan dollars in Boston.

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### **Leader Bank**

With \$1.2 billion in assets as of December 31, 2017, Leader Bank is a nationally chartered intrastate institution, wholly owned by Leader Bancorp Inc., a one-bank holding company. The Bank, founded in 2002, operates seven full-service branches within the state of Massachusetts.



## **Overall CRA Rating (2016): SATISFACTORY**

### **Lending Test Rating: SATISFACTORY**

The distribution of home loans originated and/or purchased reflects reasonable penetration among individuals of different income levels given the credit needs and significant market competition within the assessment area.

### **Community Development Test Rating: OUTSTANDING**

The distribution of home loans originated and/or purchased reflects reasonable penetration among individuals of different income levels given the credit needs and significant market competition within the assessment area.

In 2017, Leader Bank originated 1,124 HMDA loans in Boston. The bank originated 17 low-income loans in 2017. No 2017 HMDA-reportable small business loan data was available for Leader Bank.

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## **OneUnited Bank**

OneUnited Bank is a minority-owned, commercially chartered financial institution with current assets of \$658 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 2017, OneUnited Bank originated no HMDA loans in the Boston MSA. The bank originated no low-income HMDA loans in Boston. No 2017 HMDA-reportable small business loan data was available for OneUnited Bank.

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## 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 \$44.2 billion in assets at the close of business in 2017.

### Overall CRA Rating for Boston MSA (2016): SATISFACTORY

#### 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. The majority of the Bank's overall lending transpired in outside of Boston in the assessment area.

#### Investment Test Rating Boston MSA: LOW SATISFACTORY

Based on the limited scope review, the bank's performance under the Investment Test in the Boston metropolitan division was consistent with the bank's overall Low Satisfactory performance.

#### Service Test Rating Boston MSA: HIGH SATISFACTORY

Based on limited scope reviews, the bank's performance under the Service Test in the Boston metropolitan division was consistent with the bank's overall High Satisfactory performance

In 2017, People's United Bank originated 199 HMDA loans in Boston of which 1 was a low-income loan. The bank originated 52 small business loans in 2017 in Boston, totaling \$5.5 million or 0.2% of loans in the Boston MSA.

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## Radius Bank

Radius Bank is a \$1.1 billion full-service bank headquartered in Boston with clients nationwide. In 2016, one- to four-family residential mortgages made up 23% 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 (2018): 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: OUTSTANDING

The bank's community development performance demonstrated excellent responsiveness to community development needs through community development loans, investments, and services.

In 2017, Radius Bank originated no HMDA loans in Boston however the bank purchased 15 conventional mortgage loans in Suffolk county that satisfy CRA requirements. No 2017 small business loan data was available for Radius Bank.

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## Rockland Trust Bank

With \$8.1 billion in assets at the close of 2017, Rockland Trust Company is a state-chartered commercial bank headquartered in Rockland, Massachusetts. The bank predominately conducts business in eastern Massachusetts as a full-service community bank and is wholly owned by Independent Bank Corp.

### Overall CRA Rating for Boston MSA (2017): SATISFACTORY

#### Lending Test Rating for Boston MSA: SATISFACTORY

The bank's geographic distribution of loans reflects adequate penetration throughout the assessment area for small business and home mortgage loans. The distribution of HMDA loans reflects good penetration among borrowers of different income levels.

#### Investment Test Rating for Boston MSA: HIGH SATISFACTORY

The bank is rated High Satisfactory in the Investment Test. The bank has a significant level of qualified community development investments and grants.

#### Service Test Rating for Boston MSA: OUTSTANDING

The bank is rated Outstanding in the Service Test. The bank's overall accessibility of delivery systems, alternative delivery systems, banking products and services, and business hours within its assessment area are accessible to all portions of the bank's assessment area low- and moderate-income individuals and geographies.

In 2017, the Bank originated 359 HMDA-reportable loans in Boston, including 15 low-income HMDA loans. In 2017 Rockland made 147 small business loans at \$22 million representing 2.8% of the loans by dollar amount in the MSA.

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## Santander Bank, N.A.

With \$74.1 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.

### Overall CRA Rating for Boston MSA (2017): SATISFACTORY

#### Lending Test Rating for Boston MSA: HIGH SATISFACTORY

The bank's performance in the Boston MMA is good. The bank's performance reflects good levels of lending with good responsiveness to assessment area credit needs. Both geographic and borrower distributions reflect good performance in lending to low- and moderate-income geographies and to borrowers of different income levels and businesses of different sizes.



### **Investment Test Rating for Boston MSA: OUTSTANDING**

Santander Bank’s Investment Test rating for the CRA evaluation period was High Satisfactory for its national activities, and Outstanding for its Boston MSA community development investment activities. Investment Test performance in the Boston Metropolitan Division is described as excellent. During the evaluation period, the bank made originated 269 investments totaling \$166.6 million.

### **Service Test Rating for Boston MSA: HIGH SATISFACTORY**

In the Boston Metropolitan Division, the distribution of Santander Bank’s branches is adequate. Delivery systems are reasonably accessible to geographies and individuals throughout the assessment area.

In 2017, the bank originated 536 HMDA-reportable loans in Boston, including 25 low-income HMDA loans. No 2017 HMDA-reportable small business loan data was available for Santander Bank.

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## **TD Bank, N.A.**

TD Bank is a \$288.3 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 (2018): OUTSTANDING**

#### **Lending Test Rating for Boston MSA: OUTSTANDING**

TD Bank’s lending performance during the CRA review period is good. During the evaluation period, the distribution of home mortgage lending in both low- and moderate-income geographies is excellent. During the 2017 evaluation period the bank’s performance was considered excellent regarding distribution of small loans to businesses in low-income geographies.

#### **Investment Test Rating for Boston MSA: OUTSTANDING**

In Boston, TD Bank’s volume of qualified investments was excellent. During the evaluation period, the bank made 406 investments in the Boston MMSA totaling \$154.7 million. TD Bank’s investments are considered complex and provide new or rehabilitated affordable housing units, typically multifamily housing, for low- and moderate-income households.

#### **Service Test Rating for Boston MSA: OUTSTANDING**

TD Bank’s Service Test was rated Outstanding. During the CRA review period, the bank had excellent distribution of branches across geographies of different income levels, as well as a good level of community development services. Community development services were effective and responsive in helping the bank address community needs.

TD Bank is a Small Business Administration Preferred Lender. In 2017 the bank originated 272 small business loans in Boston, for a total of \$6.4 million in small business loan dollars.

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## **Webster Bank, N.A.**

Webster Bank is a midsize interstate bank with \$26.5 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 (2017): SATISFACTORY**

#### **Lending Test Rating for Massachusetts: HIGH SATISFACTORY**

Webster Bank's Massachusetts performance on the Lending Test was rated High Satisfactory, and the bank's Boston-area lending reflected excellent responsiveness to credit needs.

#### **Investment Test Rating for Massachusetts: OUTSTANDING**

Webster Bank's performance under the Investment Test is rated Outstanding; the bank's performance in the Boston MD was considered excellent.

#### **Service Test Rating for Massachusetts: HIGH SATISFACTORY**

Webster Bank's branch distribution in the assessment area was considered good. Branches were accessible to geographies and individuals of different income levels in the assessment area.

Webster Bank originated 211 HMDA loans in Boston of which 1 was a low-income HMDA loan. In 2017 the bank originated 57 small business loans in Boston, for a total of \$6.2 million in small business loan dollars.



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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 researching, analyzing, preparing, and documenting Financial Services information for the Public Sector.

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