



# 2014 Linked Deposit Banking Report to the Mayor

EXECUTIVE SUMMARY



**CITY OF BOSTON**





Prepared March 2016 by BankIQ

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## ABOUT THIS DOCUMENT

This Executive Summary provides a brief, high-level summary of the City of Boston 2014 Linked Deposit Banking Report to the Mayor. This document contains a short introduction to the overall lending environment in Boston in 2014; a summary of the trends impacting lending and housing in Boston in 2014; and brief summary overviews of the 16 banks reviewed in detail in the full report.

This document offers only a brief précis of the 2014 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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## 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 a 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. CRA performance evaluations report on individual institutions' success in providing credit, investments, and services that meet community needs.

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 supplements 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.

## Introduction to the Information Contained in This Report

The 2014 Linked Deposit Banking Report to the Mayor contains information on 2014 mortgage lending rates and patterns for each of the following 16 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.)
- Commonwealth Cooperative Bank
- East Boston Savings Bank
- Eastern Bank
- JPMorgan Chase Bank, N.A.
- OneUnited Bank
- 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 2014.



## Mortgage Lending Trends 2014

- Mortgage lending in Boston increased steadily from 2011 to 2013 before decreasing by approximately 4% in 2014. Mortgage applications also increased from 2011 to 2013, decreasing by approximately 5% in 2014.
- The proportion of applications originated has increased each year since 2010, from 70% in 2010 to 77% in 2014.
- Mortgage applications by minority applicants have held steady since 2007 as a percentage of total applications, at around 30%.
- The origination rate for minority applicants has risen steadily from 65% in 2010 to 74% in 2014. This percentage is approaching the overall aggregate origination rate of 77%. The gap between overall origination and minority origination rates has decreased significantly, from 11 percentage points in 2007 to 3 percentage points in 2014.
- 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. Although the proportion of low-income applicants rose steadily from 2007 (3%) to 2009 (8.5%), it has been declining since then, and was at 4.5% in 2014.
- The origination rate for low-income mortgage applications rose from 57% in 2007 to 63% in 2014, but still lags well behind the 77% aggregate origination rate.
- The 16 banks profiled in this report received 15% of the mortgage applications submitted in Boston in 2014, and made 14% of originations by number.

## Small Business Lending Trends 2014

- The number of small business loans originated in Suffolk County increased from 16,184 in 2013 to 17,947 in 2014. Small business loan dollars also increased, from \$651 million in 2013 to \$684 million in 2014.
- In 2014, 50% of small business loan dollars were originated in upper-income census tracts. The remaining loan dollars were distributed relatively evenly



across low (15.6%), moderate (17.9%), and middle-income (16%) tracts. This pattern is similar to 2013 lending levels.

- The 16 banks profiled in this report originated \$273 million in small business loans in Boston in 2014, totaling 41% of the total small business loan dollars originated in the area.
- The proportion of total Boston-area small business loan dollars originated by the 16 banks profiled in this report has been declining steadily since 2011, when the 16 banks together originated 53% of all small business loan dollars in Boston. In 2014, the 16 banks originated 41% of all small business loan dollars in Boston.



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

Bank of America is a \$2.1 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.

### **Overall CRA Rating for Boston (2011): OUTSTANDING**

#### **Lending Test Rating for Boston: 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: 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: 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.

In 2014, Bank of America originated \$43.3 billion in first mortgages nationwide, including \$7.6 billion for 53,059 low- and moderate-income customers. Bank of America originated 420 home mortgage loans in Boston in 2014, including 13 low-income loans, making it one of the biggest home mortgage lenders in Boston. The bank originated 924 small business loans in 2014, totaling \$65.4 million—9.6% 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 \$1.7 billion. In 2014, loans secured by one-to four-family residential properties made up 40.13% of the bank's loan portfolio.

### **Overall CRA Rating (2012): HIGH 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 an excellent responsiveness to the needs of low- and moderate-income borrowers, but overall lending volume was low.



### **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: OUTSTANDING**

The CRA evaluation found that the bank's service delivery systems were tailored to local needs, particularly those of lower-income individuals and neighborhoods. Blue Hills Bank was a leader in providing community development services during the evaluation period. The services provided by the bank increased financial literacy and met important needs in the communities the bank serves.

Blue Hills Bank originated 206 home mortgage loans in Boston in 2014, including 11 low-income loans. The bank originated 20 small business loans in 2014, totaling \$5.7 million or 0.8% 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 (\$4.4 billion) made up 44% of the bank's \$10 billion net loans and leases.

### **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 CD 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 2014, BNY Mellon neither accepted applications nor made any HMDA loans in Boston. The bank continued to originate a small number of small business loans in Boston, however, making six loans in 2014 for a total of \$2.9 million.

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

Boston Private Bank is a \$6.6 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 (2014): HIGH SATISFACTORY**

### **Lending Test Rating: 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 makes 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: HIGH SATISFACTORY**

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: HIGH SATISFACTORY**

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 2014 Boston Private Bank originated 153 HMDA mortgages in Boston, including 31 low-income HMDA loans. The bank's overall HMDA originations decreased from 2012 to 2014. Boston Private Bank originated 93 small business loans in Boston in 2014 for a total of \$34.0 million, or 5% of all small business loan dollars in Boston.

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## **Cathay Bank**

Cathay Bank is an \$11.5 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 (2012): SATISFACTORY**

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

Cathay Bank's lending levels during the CRA evaluation period reflected an overall good responsiveness to Boston's credit needs, though the bank's level of home mortgage lending in Boston was consistently low. The bank made a low level of community development loans, and made little use of innovative or flexible lending practices.

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

Cathay Bank had an adequate level of qualified community development investments and grants in Boston during the review period. The bank occasionally uses complex investments to support community development initiatives, including affordable housing. During 2014,



the Cathay Bank Charitable Foundation provided \$1.5 million in grants to community-based organizations nationwide, including several in Boston.

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

Given the bank's limited presence in Massachusetts, Cathay Bank provided a high 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 economic development and on providing community services to low- and moderate-income individuals.

Cathay Bank's HMDA lending levels decreased in 2014, to nine total loans originated from 20 loans originated in 2013. The bank's low-income lending during this period also decreased, to zero, from four low-income loans originated in 2013. Cathay Bank originated five small business loans in Boston in 2013 for a total of \$250,000 in small business loan dollars.

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## **Century Bank and Trust Company**

Century Bank is a \$3.6 billion commercial bank headquartered in Medford, Massachusetts. Century Bank operates 26 branches in 19 Massachusetts cities and towns. In 2014, one- to four-family residential mortgages accounted for 31% 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 2014, Century Bank originated 26 HMDA loans in Boston, compared to 48 originated in 2013. The bank originated only one low-income HMDA loan in Boston in 2014, consistent with historical lending levels. Century Bank originated 88 small business loans in Boston in 2014, totaling \$13.6 million.

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

Citizens Bank is a \$132.9 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). In 2014, the bank ranked second by deposit market share in the New England region.

### **Overall CRA Rating for Boston MMA (2012): SATISFACTORY**

Within the Boston MMA 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 MMA: HIGH SATISFACTORY**

Citizens Bank's lending activity in the Boston-Quincy MD 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 MMA: HIGH SATISFACTORY**

The bank's performance in the Boston-Quincy MD 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 MMA: OUTSTANDING**

Citizens Bank's performance in the Boston-Quincy MD 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 367 HMDA loans in Boston in 2014, including 23 low-income HMDA loans. The bank's level of HMDA lending declined somewhat from 2012 to 2014. Citizens Bank has historically been among the top SBA lenders in Massachusetts, and ranked among the top 10 in 2014, when it originated 717 small business loans in Boston, totaling \$41.4 million. This represents 6.4% of total small business loan dollars in Boston.

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## **Commonwealth Cooperative Bank**

Commonwealth Cooperative Bank is a \$174 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 (2013): SATISFACTORY**

During the CRA evaluation period, Commonwealth Cooperative 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: NOT RATED**

**Investment Test Rating: NOT RATED**

**Service Test Rating: NOT RATED**

Commonwealth Cooperative Bank's lending levels increased from 2013 to 2014. In 2014, the bank originated 15 HMDA loans, as compared to six in 2013. The bank originated one low-income HMDA loan in 2014. No 2014 HMDA-reportable small business loan data was available for Commonwealth Cooperative Bank.

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## **East Boston Savings Bank**

East Boston Savings Bank is a \$3.1 billion Massachusetts-chartered bank headquartered in East Boston. Until 2015, nine of the bank's 30 branches continued to operate under the name of Mt. Washington Bank, which was acquired by East Boston Savings Bank in 2009. As of May 2015 these branches have been operating under the name East Boston Savings Bank. At the end of 2014, the bank's one- to four-family residential loans totaled \$517.4 million.

**Overall CRA Rating (2014): SATISFACTORY**

**Lending Test Rating: HIGH SATISFACTORY**

Overall, the bank showed good responsiveness to assessment area credit needs. The bank was successful at extending home mortgage loans in both low- and moderate-income census tracts, and was a leader in making community development loans.

**Investment Test Rating: SATISFACTORY**

East Boston Savings Bank has an adequate level of qualified investments, although it rarely uses innovative or complex initiatives. During the review period, the bank made charitable donations through its Mt. Washington Bank and East Boston Savings Bank foundations.

**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. The bank also provides a relatively high level of community development services, including financial education seminars and bank staff leadership in community development organizations.

East Boston Savings Bank originated 122 HMDA loans in Boston in 2014, but only five low-income home mortgage loans. The bank originated 51 small business loans in 2014 in Boston, totaling \$17.6 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 \$9.5 billion in assets and is headquartered in Boston. Loans represent 71% of



the bank's total assets; 26% 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 2014.

#### **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 2013, Eastern Bank originated 223 HMDA loans in Boston. The bank originated 9 low-income loans in 2014. Eastern Bank was a major small business lender in Boston in 2013, with 392 small business loans totaling \$66.6 million, or 10.2% of all small business loan dollars in Boston.

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

JPMorgan Chase Bank has over \$2.6 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 2014, the bank was the number two mortgage originator and servicer in the U.S., and originated 307 HMDA loans and zero low-income loans in Boston. Although the bank is the



nation's fourth-largest U.S. Small Business Administration (SBA) lender, its 2013 small business lending in Boston was minimal: 31 small business loans totaling \$2.9 million, or 0.4% of total small business loan dollars.

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## **OneUnited Bank**

OneUnited Bank is a minority-owned, commercially chartered financial institution with current assets of \$614.4 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 (2013): 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. Although 33.3% of the bank's branches are located in Massachusetts, only 6.7% of its total loans and 8.2% of total deposits are located there.

#### **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. Although OneUnited Bank maintained no qualified investments in the Massachusetts assessment area during the evaluation period, the majority of its charitable donations were made in Massachusetts.

In 2014, OneUnited Bank originated one HMDA loan in the Boston MSA and none in 2013. The bank originated two low-income HMDA loans in Boston, its first since 1998. No 2014 HMDA-reportable small business loan data was available for OneUnited Bank.

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## **Radius Bank (Formerly First Trade Union Bank)**

First Trade Union Bank is a \$724.9 million full-service bank headquartered in Boston with clients nationwide. In 2014, one- to four-family residential mortgages made up 41% 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 (2011): SATISFACTORY**

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

Radius Bank's net loan-to-deposit ratio during the CRA review period was considered more than reasonable, and the bank's distribution of loans in Boston reflected excellent penetration among individuals of different income levels and businesses of different sizes. The bank's performance was considered outstanding given the lack of affordable housing and high competition in Boston.



### **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. During the review period, Radius Bank extended one community development loan.

In 2014, Radius Bank originated one HMDA loan in Boston. In 2013, the bank originated 3 HMDA loans. No 2014 low-income loan or small business loan data was available for First Trade Union Bank.

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### **Santander Bank, N.A.**

With \$80.4 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, and corporate banking customers. Santander Bank is the arm through which Santander U.S., a group of diversified national businesses, carries out consumer, business, commercial and corporate 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 (2010): OUTSTANDING**

#### **Lending Test Rating: OUTSTANDING**

Santander Bank extended a large volume of HMDA loans in Boston during the CRA evaluation period. The bank was very successful in extending credit to lower-income borrowers in Boston. The bank used and developed a variety of innovative and flexible-lending products targeted to those residents and businesses most in need. Santander Bank's commitment to community development lending in Boston during the period under review was strong.

#### **Investment Test Rating: HIGH SATISFACTORY**

Santander Bank originated a high level of community development loans in Boston during the assessment period. Santander Bank also extended a substantial level of charitable donations for community development activities.

#### **Service Test Rating: OUTSTANDING**

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

In 2014, Santander Bank's overall HMDA lending decreased by about 13%. The Bank originated 509 HMDA-reportable loans in Boston, including 40 low-income HMDA loans. No 2014 HMDA-reportable small business loan data was available for Santander Bank.

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

TD Bank is a \$230.2 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 and the District of Columbia.

### **Overall CRA Rating for Boston MSA (2011): OUTSTANDING**

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

TD Bank's lending performance during the CRA review period was excellent. The bank's overall level of lending activity was 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 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 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 housing education and social services for low- and moderate-income families.

In 2014, TD Bank originated 111 HMDA loans in Boston, a significant decrease from 2013, when it originated 325 HMDA loans. The bank's low-income HMDA loans remained flat, with five loans in 2014, the same number as in 2013. TD Bank is a Small Business Administration Preferred Lender. The bank originated 196 small business loans in 2014 in Boston, for a total of \$20 million in small business loan dollars.

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

Webster Bank is a midsize interstate bank with \$22.5 billion in assets. Headquartered in Waterbury, Connecticut, the majority of the bank's business in the state 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 MD 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 2013 to 2014, from 73 loans in 2013 to 114 loans in 2014. The bank's low-income lending decreased, with two loans in 2014, down from four in 2013. The bank originated five small business loans in Boston in 2014, totaling \$2.1 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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