

PUBLIC DISCLOSURE

February 15, 2010

**MORTGAGE LENDER COMMUNITY INVESTMENT
PERFORMANCE EVALUATION**

SIERRA PACIFIC MORTGAGE COMPANY, INC.

MC 4475 et al

**50 IRON POINT CIRCLE, SUITE 200
FOLSOM, CA 95630**

**DIVISION OF BANKS
1000 WASHINGTON STREET
BOSTON, MA 02118**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this mortgage lender. The rating assigned to this mortgage lender does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this mortgage lender.</p>
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GENERAL INFORMATION

Massachusetts General Laws chapter 255E, section 8 and the Division of Banks' ("Division") regulation 209 CMR 54.00, Mortgage Lender Community Investment ("MLCI"), require the Division to use its authority, when examining mortgage lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. Upon conclusion of such examination, the Division must prepare a written evaluation of the mortgage lender's record of meeting the credit needs of the Commonwealth.

This document is an evaluation of the MLCI performance of **Sierra Pacific Mortgage Company, Inc. (or "Sierra Pacific")** prepared by the Division, the mortgage lender's supervisory agency, as of **February 15, 2010**.

SCOPE OF EXAMINATION

An offsite evaluation was conducted using examination procedures, as defined by MLCI. A review of the Division's records, as well as the mortgage lender's public MLCI file, did not reveal any complaints relating to Sierra Pacific's MLCI performance.

The MLCI examination included a comprehensive review and analysis, as applicable, of Sierra Pacific's:

- (a) origination of loans and other efforts to assist low and moderate income residents, without distinction, to be able to acquire or to remain in affordable housing at rates and terms that are reasonable considering the lender's history with similarly situated borrowers, the availability of mortgage loan products suitable for such borrowers, and consistency with safe and sound business practices;
- (b) origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
- (c) efforts working with delinquent residential mortgage customers to facilitate a resolution of the delinquency; and
- (d) other efforts, including public notice of the scheduling of examinations and the right of interested parties to submit written comments relative to any such examination to the Commissioner, as, in the judgment of the Commissioner, reasonably bear upon the extent to which a mortgage lender is complying with the requirements of fair lending laws and helping to meet the mortgage loan credit needs of communities in the Commonwealth.

MLCI examination procedures were used to evaluate Sierra Pacific's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered Sierra Pacific's lending and community development activities for the period of January 2008 through December 2009, unless otherwise noted. The data and applicable timeframes for the Lending Test and the Service Test are discussed below.

The Lending Test evaluates the mortgage lender's community investment performance pursuant to the following five criteria: geographic distribution of loans, lending to borrowers of different incomes, innovative and flexible lending practices, fair lending, and loss of affordable housing.

The MLCI evaluation includes an analysis of the mortgage loans reportable under the Home Mortgage Disclosure Act (“HMDA”) for 2008 and 2009. The residential loan data was obtained from the Loan Application Registers (“LAR”) maintained by Sierra Pacific pursuant to HMDA.

Home mortgage lending for 2008 and 2009 is presented in the following tables: geographic distribution, lending to borrowers of different incomes and the minority application flow. Comparative analysis is provided for the mortgage lender’s 2008 lending performance as this is the most recent year for which aggregate HMDA lending data is available. The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders which originated loans in Massachusetts.

In addition to gathering and evaluating statistical information relative to a mortgage lender’s loan volume, the MLCI examination also reflects an in depth review of the entity’s mortgage lending using qualitative analysis, which includes, but is not limited to: an assessment of the suitability and sustainability of the mortgage lender’s loan products by reviewing the lender’s internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds and through other sources available to the examination team. The examination included inspection of individual loan files for review of compliance with consumer protection provisions and scrutiny of these files for the occurrence of disparate treatment based on a prohibited basis.

The Service Test evaluates the mortgage lender’s record of helping to meet mortgage credit needs by analyzing the availability and effectiveness of a mortgage lender’s systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and, if applicable, loss mitigation services to modify loans and/or efforts to keep delinquent home borrowers in their homes.

MORTGAGE LENDER'S MLCI RATING: This Mortgage Lender is rated "Satisfactory"

This "Satisfactory" rating is based upon:

- The geographic distribution of the lender's loans reflects a reasonable dispersion in low- and moderate-income census tracts.
- The distribution of borrowers reflects, given the demographics of Massachusetts, a reasonable record of serving the credit needs among individuals of different income levels, include low- and moderate-income.
- The mortgage lender offers a limited number of flexible lending programs to the customers it serves.
- The mortgage lender had no Community Development services.
- Fair lending policies and practices are considered reasonable. No complaints were received during the evaluation period.

PERFORMANCE CONTEXT

Description of Mortgage Lender

Sierra Pacific Mortgage Company, Inc. was established in 1986, as a subchapter "S" corporation, for the purpose of operating a mortgage lender and mortgage broker and offers mortgage services to consumers throughout the United States. The mortgage lender is solely owned by James E. Coffrini. Sierra Pacific was granted a mortgage lender license from the Division on October 2, 2001 and was granted a mortgage lender and mortgage broker license by the Division in September 2006. The mortgage lender operates throughout Massachusetts, and is also licensed in 40 states and the District of Columbia.

Sierra Pacific is a wholesale lender, in the Commonwealth, engaging in the organization and sale of first residential mortgage loans, secured primarily by one-to-four family residential properties, to consumers of sound credit quality. Loan originations are processed and documented at the lender's main office in Folsom, California. Approved loans are funded through a warehouse line of credit with either, JP Morgan Chase, GMAC or Countrywide, and are sold to third party investors such as Bank of America, Wells Fargo, GMAC, CitiMortgage and Countrywide (now Bank of America). Mortgages are sold without recourse and servicing rights releases. In Massachusetts, Sierra Pacific originates its business through a network of mortgage brokers. Brokers submit applications electronically through Sierra Pacific's secured website to the processing center. Sierra Pacific then underwrites and provides the credit decision to the Broker within 30 days of receipt of the application.

The lender is a Direct Endorsed lender for the Federal Housing Administration and the Veteran's Administration.

For the examination period, 2008 and 2009, Sierra Pacific originated a total of 58,964 loans totaling \$14.1 billion throughout the country of which 1,357 loans totaling \$373.5 million were originated in Massachusetts.

Demographic Information

The MLCI regulation requires mortgage lenders to be evaluated on their performance within the Commonwealth of Massachusetts. Demographic data is provided below to offer contextual overviews of economic climate along with housing and population characteristics for the Commonwealth of Massachusetts.

DEMOGRAPHIC INFORMATION*						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A
Geographies (Census Tracts)	1,361	8.4	21.7	46.1	23.4	0.4
Population by Geography	6,349,097	5.8	20.5	47.6	26.0	0.1
Owner-Occupied Housing by Geography	1,508,248	1.6	12.8	54.0	31.6	0.0
Family Distribution by Income Level	1,587,537	20.5	17.7	22.3	39.5	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	606,419	10.0	29.4	46.2	14.4	0.0
Median Family Income		\$65,318	Median Housing Value		\$209,519	
2007 HUD Adjusted Median Family Income		\$76,075	Unemployment Rate		7.7%**	
Households Below Poverty Level		9.8%				

*Source: PCI Corporation Inc., CRA Wiz, Data Source: 2000 US Census

**as of 2/2009

Low-income is defined as individual income that is less than 50 percent of the area median income. Moderate-income is defined as individual income that is at least 50 percent and less than 80 percent of the area median income. Middle-income is defined as individual income that is at least 80 percent and less than 120 percent of the area median income. Upper-income is defined as individual income that is more than 120 percent of the area median income.

There are 2.4 million households in the Commonwealth with a median household income of \$53,686 according to the 2000 Census. Over 40 percent of the households are classified as low and moderate-income. In addition, 9.8 percent of the total numbers of households are living below the poverty level. Individuals in these categories may find it challenging to qualify for traditional mortgage loan products.

Households classified as "families" total slightly over 1.5 million. Of all family households, 20.5 percent are low income, 17.7 percent are moderate income, 23.3 percent are middle income, and 39.5 percent are upper income. The median family income according to the 2000 census was \$65,318. The Housing and Urban Development ("HUD") adjusted median family income is \$76,075. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contains 1,361 census tracts. Of these, 114 or 8.4 percent are low-income; 295 or 21.7 percent are moderate-income; 628 or 46.1 percent are middle-income; 319 or 23.4 percent are upper-income; and 5 or 0.4 are NA or have no income designation. The five census tracts with no income designation are located in Bridgewater (a correctional facility), Boston (islands in Boston Harbor), Amherst (University of Massachusetts campus), Harvard (Fort Devens), and Grafton (Tufts Veterinary School). These census tracts contain no housing units and will not be included in this evaluation since they provide no lending opportunities.

The median housing value for Massachusetts was \$209,519 according to the 2000 Census. Recent figures from the Warren Group, publishers of the Banker and Tradesman, show that the median price for a single-family dropped 11.6 percent from \$345,000 in 2007 to \$305,000 in 2008, a five-year low. Fluctuating housing values have a direct effect on the types of financial products adequate for homeowners and property buyers.

The unemployment rate for the state of Massachusetts as of January 2010 was 9.5 percent, up from 7.7 percent in February 2009. This represents a significant increase from 2007 when the unemployment rate stood at 4.5 percent. Employment rates would tend to affect a borrower's ability to remain current on mortgage loan obligations and also correlates to delinquency and default rates.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Sierra Pacific's Lending Test performance was rated an overall "Satisfactory." Sierra Pacific's lending efforts are rated under the five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Fair Lending Policies and Procedures, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of Sierra Pacific Home Loans.

I. Geographic Distribution

The geographic distribution of loans was reviewed to assess how Sierra Pacific is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income census tracts.

The mortgage lender's geographic distribution of loans reflects a reasonable dispersion of loans in the Commonwealth.

Sierra Pacific's distribution of lending in the Commonwealth when compared to the demographics and aggregate lending data was reasonable. The dispersion of lending in the Commonwealth includes low-, moderate-, middle, and upper-income geographies. The table below shows the distribution of HMDA-reportable loans by census tract income.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner-Occupied Housing Units	Sierra Pacific 2008		Aggregate Lending Data (% of #) 2008	Sierra Pacific 2009		Sierra Pacific Total	
		#	%		#	%	#	%
Low	1.6	4	1.5	2.2	25	2.3	29	2.1
Moderate	12.8	29	10.7	14.2	133	12.3	162	12.0
Middle	54.0	144	52.9	51.9	559	51.5	703	51.8
Upper	31.6	95	34.9	31.7	368	33.9	463	34.1
Total	100.0	272	100.0	100.0	1,085	100.0	1,357	100.0

Source: 2008 and 2009 HMDA Data and 2000 U.S. Census

As reflected in the table above, the highest concentration of the residential loans was originated in middle-income census tracts. This is reasonable given that 54.0 percent of the area's owner-occupied housing units are in the middle-income census tracts. Sierra Pacific's lending in low-income tracts was slightly below the aggregate's lending in those tracts in 2008. Sierra Pacific originated 1.5 percent of its loans in low-income tracts compared to the aggregate which originated 2.2 percent. Sierra Pacific's lending in moderate-income census tracts at 10.7 percent was also below the aggregate at 14.2 percent.

When comparing Sierra Pacific's 2008 lending volume to the 2009 lending, Sierra Pacific has seen a large increase in the volume of total originations from 272 in 2008 to 1,085 in 2009. The increase in lending is due to an increase in the number of Sierra Pacific approved brokers and an increase in FHA production. There was also an increase in the percentage of lending in low- and moderate-income tracts. Overall, the geographic distribution of residential loans reflects a reasonable dispersion throughout the Commonwealth.

II. Borrower Characteristics

The distribution of loans by borrower income levels was reviewed to determine the extent to which the mortgage lender is addressing the credit needs of the Commonwealth's residents. Sierra Pacific has a reasonable record of serving the mortgage credit needs of borrowers of different income levels based on the areas' demographics and a comparison to aggregate lending data in Massachusetts.

The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the aggregate and the percentage of total families within the Commonwealth in each respective income group.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Families	Sierra Pacific 2008		Aggregate Lending Data (% of #) 2008	Sierra Pacific 2009		Sierra Pacific Total	
		#	%		#	%	#	%
Low	20.5	9	3.3	5.0	39	3.6	48	3.5
Moderate	17.7	46	16.9	16.9	179	16.5	225	16.6
Middle	22.3	79	29.0	23.8	314	28.9	393	29.0
Upper	39.5	118	43.4	37.9	385	35.5	503	37.1
NA*	0.0	20	7.4	16.4	168	15.5	188	13.8
Total	100.0	272	100.0	100.0	1,085	100.0	1,357	100.0

Source: 2008 and 2009 HMDA Data and 2000 U.S. Census, * Income Not Available

As shown in the above table, Sierra Pacific's 2008 lending volume to low-income borrowers at 3.3 percent was below the aggregate's lending to low-income borrowers at 5.0 percent while lending to moderate-income was the same as the aggregate at 16.9 percent. The percentage of lending to low- and moderate-income borrowers is reasonable given the area's demographics. The proportion of total loans to middle- and upper-income borrowers was above the percentage of families in those income tracts.

The mortgage lender's 2008 lending performance to low- and moderate-income borrowers was comparative to 2009, showing a reasonable record of serving the mortgage credit needs of borrowers of different income levels.

III. Innovative or Flexible Lending Practices

Sierra Pacific offers a limited number of innovative or flexible lending products, which are provided in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

The lender is direct endorsed by HUD to underwrite FHA and VA insured mortgages and only employs FHA Direct Endorsed Underwriters. Sierra Pacific's current product mix includes Fannie Mae (FNMC), Freddie Mac (FHLMC), FHA and VA Housing loans. All loan products are originated under investor guidelines and requirements as well as adherence to state legal requirements. The variety of FHA products offered by Sierra Pacific provides competitive interest rates and requires smaller down payments for low- and moderate-income first time homebuyers and existing homeowners.

Sierra Pacific offers flexible products during the current difficult economic times. In 2008, FHA and VA loans constituted 6 percent of the lender's originations compared to 29 percent in 2009. During the examination period Sierra Pacific originated 367 FHA loans totaling \$97.5 million and 8 VA Loans totaling \$2.9 million in Massachusetts.

Special Fannie Mae products include My Community and Interest Only My Community, which include a variety of loan terms. Special Freddie Mac products include Home Possible and Interest Only Home Possible, in addition to conforming 30 year loans.

My Community Mortgage Program – This program offers financing to low- and moderate-income homebuyers and refinancing options for existing homeowners by offering little to no down payment required and competitive fixed rate financing. The program also requires pre- and post-purchase homebuyer education.

Home Possible Mortgage Program – This program is designed for first time home buyers and low- and moderate-income borrowers offering fixed-rate mortgages, reduced mortgage insurance coverage levels, flexible closing cost funding options and no cash-out refinancing. As part of this program, the Neighborhood Solutions Program offers additional flexibilities for teachers, firefighters, law enforcement officers, healthcare workers, and members of the US Armed Forces. Homeownership education is required for first-time homebuyers for purchase transactions through Home Possible Mortgages.

IV. Fair Lending

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-103 and Regulatory Bulletin 5.3-101. The mortgage lender's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. The review included, but was not limited to, review of written policies and procedures, interviews with mortgage lender personnel, and individual file review.

Sierra Pacific's compliance with the laws relating to discrimination and other illegal credit practices was reviewed. The fair lending review was conducted in accordance the with Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. No evidence of discriminatory or other illegal credit practices were identified.

Sierra Pacific has established an adequate record relative to fair lending policies and practices. The lender has a written Fair Lending Policy Statement. Included in this policy are the mortgage lender's efforts to eliminate discrimination in all aspects of lending, provide fair and equal consideration to every applicant, as well as to provide guidance to Sierra Pacific's employees on how to comply with fair lending policies and procedures.

Sierra Pacific provides fair lending training to all employees at least annually along with other applicable compliance training. All employees are provided with training appropriate to their job description and their responsibilities in fair lending issues. This includes information regarding both technical requirements that come into play, as well as the more substantive and subtle issues related to unintentional discrimination and quality of assistance. Employees have access to the company wide intranet with policies and procedures, as well as compliance updates and resource guides provided to all brokers.

Upon conclusion of the Fair Lending review, the Division's examination found no evidence of disparate treatment.

MINORITY APPLICATION FLOW

For 2008 and 2009, Sierra Pacific received 2,120 HMDA reportable loan applications from within the Commonwealth of Massachusetts. Of these applications, 278 or 13.1 percent were received from minority applicants, of which 191 or 68.7 percent resulted in originations. Sierra Pacific received 98 or 4.6 percent of HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area of which 43 or 43.9 percent were originated.

The minority population in the Commonwealth is at 18.1 percent. Sierra Pacific's level of lending was compared with that of the aggregate's lending performance levels for the most recent year that data was available, the year 2008, and the area's demographics. In 2008, the lender received a total of 14.7 percent of its applications from racial minorities which was above the aggregate at 8.4 percent. The lender also received 6.2 percent of its applications from ethnic minorities, exceeding the aggregate at 4.7 percent.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to the aggregate lenders throughout the Commonwealth of Massachusetts. The comparison of this data assists in deriving reasonable expectations for the rate of applications the mortgage lender received from minority applicants.

MINORITY APPLICATION FLOW								
RACE	Sierra Pacific 2008		2008 Aggregate Data		Sierra Pacific 2009		Sierra Pacific Total	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	0	0.0	690	0.2	6	0.3	6	0.3
<i>Asian</i>	37	10.5	11,768	3.5	144	8.2	181	8.5
<i>Black/ African American</i>	12	3.4	11,743	3.5	58	3.3	70	3.3
<i>Hawaiian/Pac Isl.</i>	0	0.0	641	0.2	0	0.0	0	0.0
<i>2 or more Minority</i>	0	0.0	280	0.1	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	3	0.8	3,198	0.9	18	1.0	21	1.0
Total Minority	52	14.7	28,320	8.4	226	12.8	278	13.1
<i>White</i>	291	82.2	234,112	69.6	1,393	78.9	1,684	79.4
<i>Race Not Available</i>	11	3.1	73,897	22.0	147	8.3	158	7.5
Total	354	100.0	336,329	100.0	1,766	100.0	2,120	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	19	5.4	13,234	3.9	60	3.4	79	3.7
<i>Not Hispanic or Latino</i>	321	90.7	246,247	73.2	1,551	87.8	1,872	88.3
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	3	0.8	2,641	0.8	16	0.9	19	0.9
<i>Ethnicity Not Available</i>	11	3.1	74,207	22.1	139	7.9	150	7.1
Total	354	100.0	336,329	100.0	1,766	100.0	2,120	100.0

Source: PCI Corporation, CRA Wiz, Data Source: 2000 U.S. Census Data

Sierra Pacific's 2008 performance exceeded the aggregate's performance for both racial and ethnic minority applicants. Sierra Pacific's total application volume increased significantly in 2009. Sierra Pacific's minority application flow is reasonable when compared to the aggregate's lending performance levels and the demographics of Massachusetts.

V. Loss of Affordable Housing

This review concentrated on the suitability and sustainability of mortgage loans originated by Sierra Pacific by taking into account delinquency and default rates of the mortgage lender and those of the overall marketplace. Information provided by the lender was reviewed as were statistics available on delinquency and default rates for mortgage loans. Additionally, individual mortgage loans were tracked for their status through local Registries of Deeds and other available public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as described above, did not reveal lending practices or products that showed an undue concentration or a systematic pattern of lending, including a pattern of early payment defaults, resulting in the loss of affordable housing units. Further, delinquency rates were found to be consistent with industry averages.

SERVICE TEST

The service test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products; the extent and innovativeness of its community development services; and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

Sierra Pacific's Service Test performance was determined to be rated "Needs to Improve" at this time.

Mortgage Lending Services

The Commissioner evaluates the availability and effectiveness of a mortgage lender's systems for delivering mortgage lending services, pursuant to the following criteria:

- (a) the availability and effectiveness of systems for delivering mortgage lending services (e.g., Internet, telephone solicitation, direct mail) in low- and moderate-income geographies and to low- and moderate-income individuals, including, to the extent applicable, the current distribution of the mortgage lender's branches among low-, moderate-, middle-, and upper-income geographies;
- (b) efforts to work with delinquent home mortgage loan borrowers to facilitate a resolution of the delinquency, including the number of loan modifications, the timeliness of such modifications, and the extent to which such modifications are effective in preventing subsequent defaults or foreclosures; and
- (c) the range of services provided in low-, moderate-, middle-, and upper- income geographies and the degree to which the services are tailored to meet the needs of those geographies.

As Sierra Pacific does not routinely service mortgage loans, it would not work directly with delinquent borrowers. Therefore, this review would not include an evaluation of loan mitigation and modification efforts as the mortgage lender would not be accountable for such action. However, as described above, lending practices and products did not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.

Sierra Pacific receives applications from licensed mortgage brokers and does not advertise. Industry announcements are published via e-mails to brokers who have opted to receive them and on Sierra Pacific's website for reference. Broker licenses are tracked to ensure that all brokers are licensed before a loan closes.

Community Development Services

Community development means:

- (a) Mortgage products and other efforts to assist low- and moderate-income individuals to acquire or remain in affordable housing;
- (b) Community services targeted to low- and moderate-income individuals;
- (c) Activities that revitalize or stabilize -
 - (1) Low- or moderate-income geographies;
 - (2) Designated disaster areas; or
 - (3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency; or
 - (4) Any other such area as determined by the Commissioner based on -
 - (A) Rates of poverty, unemployment, and population loss; or
 - (B) Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community and economic development needs, including needs of low- and moderate-income individuals.

A community development service is a service that:

- (a) has as its primary purpose community development; and
- (b) is related to the provision of financial services, including technical services

The Commissioner evaluates community development services pursuant to the following criteria:

- (a) the extent to which the mortgage lender provides community development services; and
- (b) the innovativeness and responsiveness of community development services.

Sierra Pacific does not have contact with its borrowers as a wholesale lender and therefore does not participate in any borrower credit counseling or community development services.

Qualified Investments

A Qualified Investment for the purposes of this MLCI evaluation is a lawful investment, deposit, membership share, or grant that has as its primary purpose community development. The evaluation considered (1) the number of investments and grants, (2) the extent to which community development opportunities have been made available to the institution, and (3) the responsiveness of the institution's community development grants to the assessment area's needs.

Focus and commitment by Sierra Pacific should be employed by taking a strong leadership role in other community development activities. Other activities may include, but not necessarily be limited to: financial literacy education initiatives targeted to low- and moderate-income individuals; and foreclosure prevention counseling and/or technical assistance to community organizations implementing such programs.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 255E, Section 8, and 209 CMR 54.00, the Mortgage Lender Community Investment (MLCI) regulation, requires all mortgage lenders to take the following actions within 30 business days of receipt of the MLCI evaluation of their mortgage lender:

- 1) Make its most current MLCI performance evaluation available to the public;
- 2) Provide a copy of its current evaluation to the public, upon request. In connection with this, Sierra Pacific is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the mortgage lender's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. Sierra Pacific is encouraged to include its response to the evaluation in its MLCI public file.

The Division of Banks will publish the mortgage lender's Public Disclosure on its website no sooner than 30 days after the issuance of the Public Disclosure.