

**PUBLIC DISCLOSURE**

**SEPTEMBER 3, 2019**

**MORTGAGE LENDER COMMUNITY INVESTMENT  
PERFORMANCE EVALUATION**

**FAIRWAY INDEPENDENT MORTGAGE CORPORATION  
d/b/a Capital Mortgage Funding, and d/b/a Homefinity  
MC2289**

**4750 S. BILTMORE LANE  
MADISON, WISCONSIN 53718**

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

<p><b>NOTE:</b> 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

This document is an evaluation of the Mortgage Lender Community Investment (CRA) performance of **Fairway Independent Mortgage Corporation d/b/a Capital Mortgage Funding and d/b/a Homefinity (Fairway Independent or Lender)** pursuant to the Massachusetts General laws chapter 255E, section 8 and the Division of Banks' (Division) regulation 209 CMR 54.00, prepared by the Division, the Lender's supervisory agency, as of **September 3, 2019**.

## SCOPE OF EXAMINATION

An evaluation was conducted using examination procedures, as defined by CRA guidelines. A review of the Division's records, as well as the Lender's public CRA file, did not reveal any complaints related to CRA.

The CRA examination included a comprehensive review and analysis, as applicable, of Fairway Independent's:

- (a) origination of loans and other efforts to assist low- and moderate-income (LMI) 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 of Banks (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 of Massachusetts (Commonwealth or Massachusetts).

CRA examination procedures were used to evaluate Fairway Independent's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered Fairway Independent's lending and community development activities for the period of January 1, 2017, through December 31, 2018. The data and applicable timeframes for the Lending Test and Service Test are discussed below.

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

Home mortgage lending for 2017 and 2018 is presented in the geographic distribution, lending to borrowers of different incomes, and minority application flow tables. Comparative analysis of the Lender's lending performance for 2017 is provided as it 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 mortgage lenders which originated loans in Massachusetts.

In addition to gathering and evaluating statistical information relative to a mortgage lender's loan volume, the CRA examination also reflects an in-depth review of the entity's mortgage lending using qualitative analysis. This analysis includes, but is not limited to: an assessment of the suitability and sustainability of a mortgage lender's loan products by reviewing its internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks, local Registries of Deeds, and through other sources available to the examination team. The examination included inspection of the Lender's 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 a mortgage lender's record of helping to meet the mortgage credit needs by analyzing the availability and effectiveness of the 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 CRA RATING**

**This mortgage lender is rated "Satisfactory"**

### **Lending Test: "Satisfactory"**

- The geographic distribution of the Lender's loans reflects an adequate dispersion in LMI census tracts as compared to the distribution of owner occupied housing in those census tracts.
- The distribution of borrowers, given the demographics of Massachusetts, reflects an adequate record of serving the credit needs among individuals of different income levels.
- Fairway Independent offers flexible lending products, which are provided in a safe and sound manner to address the credit needs of LMI level individuals.
- The lending practices and products did not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.
- Fair lending policies are considered adequate.

### **Service Test: "Satisfactory"**

- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in Massachusetts.
- Fairway Independent provides a variety of community development services within Massachusetts, which assists LMI geographies and individuals.

## **PERFORMANCE CONTEXT**

### **Description of Mortgage Lender**

Fairway Independent was incorporated in the State of Texas in 1996. The Division granted it a mortgage lender license in 2005 and a loan servicing registration in 2013. Fairway Independent is a nationwide residential mortgage lender licensed in fifty states and the District of Columbia. The Lender's headquarters is located in Madison, Wisconsin. In Massachusetts, the Lender conducts business under the names Fairway Independent Mortgage Corporation, Capital Mortgage Funding, and Homefinity. Fairway Independent is an approved lender for the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture (USDA), and Massachusetts Housing Finance Authority (MHFA) in addition to offering conventional products.

Fairway Independent originates real estate loans primarily through its retail-lending channel in Massachusetts. Business is generated through referrals and repeat business. All underwriting and major functions in the loan process are done at Fairway Independent's corporate office, as well as selected branch locations. Loans are funded through established warehouse lines of credit. Loans are sold on the secondary market servicing rights retained and released. Fairway Independent internally conducts the interim servicing prior to loan transfer to investors for those loans sold servicing rights released. Loans with servicing rights retained are sub-serviced by Cenlar FSB. During the review period, Fairway Independent originated 7,804 loans totaling approximately \$2.5 billion within Massachusetts.

### **Demographic Information**

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

<b>2015 DEMOGRAPHIC INFORMATION OF THE COMMONWEALTH</b>						
<b>Demographic Characteristics</b>	<b>Amount</b>	<b>Low %</b>	<b>Moderate %</b>	<b>Middle %</b>	<b>Upper %</b>	<b>N/A %</b>
Geographies (Census Tracts)	1,478	12.2	19.1	37.5	29.2	2.0
Population by Geography	6,705,586	10.1	18.6	38.9	31.9	0.5
Owner-Occupied Housing by Geography	1,583,667	3.4	13.8	44.4	38.3	0.1
Family Distribution by Income Level	1,620,917	23.3	16.4	19.4	40.9	0.0
Distribution of Low and Moderate Income Families	643,491	17.8	25.8	37.6	18.7	0.1
Median Family Income	\$93,145		Median Housing Value			\$358,764
Households Below Poverty Level	12.0%		Unemployment Rate			3.1%*
2017 HUD Adjusted Median Family Income	\$91,119		2018 HUD Adjusted Median Family Income			\$95,779

Source: 2015 American Community Survey (ACS); \*Bureau of Labor Statistics as of 12/31/2018

Based on the 2015 American Community Survey (2015 ACS), Massachusetts' population was above 6.7 million people with a total of 2.8 million housing units. Of the total housing units, 1.6 million or 56.0 percent are owner occupied, 966,054 or 34.0 percent are rental units, and 9.8 percent are vacant units.

According to 2015 ACS data, there are 2.5 million households in Massachusetts with a median household income of \$74,527. Over 41 percent of households are now classified as LMI. Twelve percent of the total number of households are living below the poverty level. Individuals in these categories may find it difficult to qualify for traditional mortgage loan products.

Households classified as "families" totaled slightly over 1.6 million. Of all family households, 23.3 percent were low-income, 16.4 percent were moderate-income, 19.4 percent were middle-income, and 40.9 percent were upper-income. The median family income reported by the 2015 ACS was \$93,145. The Housing and Urban Development (HUD) adjusted median family income was \$91,119 in 2017 and increased to \$95,779 in 2018. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

Massachusetts contains 1,478 Census tracts. Of these, 181 or 12.2 percent are low-income; 282 or 19.1 percent are moderate-income; 555 or 37.5 percent are middle-income; 431 or 29.2 percent are upper-income; and 29 or 2.0 percent are NA or have no income designation. The tracts with no income designation are located in areas that contain no housing units and will not be included in this evaluation since they provide no lending opportunities. These areas are made up of correctional facilities, universities, military installations, and uninhabited locations such as the Boston Harbor Islands.

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 that is more than 120 percent of the area median income.

The median housing value for Massachusetts was \$358,764 according to the 2015 ACS. The unemployment rate for Massachusetts as of December 31, 2018, was 3.1 percent, which was a decrease from December 31, 2017, at which time it was 3.6 percent according to the Bureau of Labor Statistics. 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 TEST**

### **LENDING TEST**

Lending performance is rated under six performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Loss Mitigation Efforts, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of Fairway Independent.

Fairway Independent’s Lending Test performance was determined to be “**Satisfactory**” at this time.

#### **I. *Geographic Distribution***

The geographic distribution of loans was reviewed to assess how well Fairway Independent is addressing the credit needs throughout Massachusetts’ low-, moderate-, middle-, and upper-income census tracts. The table below shows the distribution of HMDA-reportable loans by census tract income level. Lending activity is compared with the percent of owner-occupied housing units based on the 2015 ACS demographics and Fairway Independent’s 2017 and 2018 home mortgage lending performance. This lending performance is compared to aggregate lending performance in 2017.

<b><i>Geographic Distribution of HMDA loans by Census Tract</i></b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2017	3.4	4.8	176	4.7	51,429	4.2
2018	3.4	--	169	4.2	45,356	3.5
Moderate						
2017	13.8	15.9	591	15.7	176,383	14.6
2018	13.8	--	719	17.8	205,747	15.9
Middle						
2017	44.4	43.5	1,646	43.9	495,175	40.9
2018	44.4	--	1,820	44.9	533,404	41.2
Upper						
2017	38.3	35.7	1,336	35.6	485,065	40.1
2018	38.3	--	1,293	31.9	491,118	38.0
Not Available						
2017	0.1	0.1	5	0.1	2,179	0.2
2018	0.1	--	49	1.2	18,565	1.4
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>3,754</b>	<b>100.0</b>	<b>1,210,231</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>4,050</b>	<b>100.0</b>	<b>1,294,190</b>	<b>100.0</b>

Source: 2017 & 2018 HMDA Data and 2015 ACS

Fairway Independent’s geographic distribution of loans in low- and moderate-income tracts was slightly below the aggregate lending and above the demographics in 2017. The Lender’s performance in low-income tracts declined slightly but continued above the demographic for 2018. Performance in moderate-income tracts improved from 15.7 percent to 17.8 percent. Overall, the Lender’s performance is showing a positive trend. The Lender’s geographic distribution of residential mortgage is adequate overall.

## II. Borrower Characteristics

The distribution of loans by borrower income levels was reviewed to determine the extent to which the Lender is addressing the credit needs of Massachusetts’ residents. The table below illustrates HMDA-reportable loan originations and purchases, categorized by borrower income level that was reported by Fairway Independent during 2017 and 2018, and compares this activity to the 2017 aggregate lending data and the percentage of families by income level within the assessment area using the 2015 ACS demographics.

<i>Distribution of HMDA Loans by Borrower Income</i>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2017	23.3	5.3	163	4.3	25,884	2.1
2018	23.3	--	227	5.6	38,605	3.0
Moderate						
2017	16.4	17.6	832	22.2	198,680	16.4
2018	16.4	--	985	24.3	219,967	17.0
Middle						
2017	19.4	23.3	1,170	31.2	352,695	29.1
2018	19.4	--	1,325	32.7	402,591	31.1
Upper						
2017	40.9	40.8	1,580	42.1	630,310	52.1
2018	40.9	--	1,499	37.0	628,941	48.6
Not Available						
2017	0.0	13.0	9	0.2	2,662	0.3
2018	0.0	--	14	0.4	4,086	0.3
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>3,754</b>	<b>100.0</b>	<b>1,210,231</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>4,050</b>	<b>100.0</b>	<b>1,294,190</b>	<b>100.0</b>

Source: 2017 & 2018 HMDA Data and 2015 ACS

Fairway Independent achieved an adequate record of serving the mortgage credit needs among borrowers of different income levels based on the area’s demographics and in comparison to aggregate lending in Massachusetts. Originations for 2017 show lending to low-income borrowers was below the aggregate and borrower income level demographic. Lending to moderate-income borrowers was above both the aggregate and borrower income demographic. According to the 2015 ACS, 12 percent of the families within the Commonwealth have incomes below the poverty



threshold and would most likely not qualify for homeownership considering the presence of high housing costs. In 2018, the Lender's performance among LMI borrowers improved from 26.5 percent to 29.9 percent showing a positive trend.

### **III. *Innovative or Flexible Lending Practices***

Fairway Independent offers a variety of flexible lending products, which are provided in a safe and sound manner to address the credit needs of LMI individuals and geographies.

The Lender is an approved HUD direct endorsement mortgage lender. FHA products provide competitive interest rates and smaller down payment requirements for LMI first time homebuyers and existing homeowners. During the review period, the Lender originated 1,234 FHA loans totaling \$367.1 million. Of these, 923 benefited LMI individuals or LMI geographies.

The Lender is a VA Automatic Approval Agent. The VA program is designed specifically for the unique challenges facing service members, veterans, and their families. The VA program offers low closing costs, no down payment, and no private mortgage insurance. During the review period, the Lender originated 230 VA loans totaling \$80 million. Of these, 109 benefited LMI individuals or LMI geographies.

Fairway Independent is approved to offer products guaranteed by the USDA. The USDA Rural Housing program is an innovative loan program that provides 100 percent financing for eligible homebuyers in rural-designated areas. This program is for home purchase transactions and offers fixed rates, does not require a down payment, and includes LMI requirements. During the review period, the Lender originated 38 USDA loans totaling \$8.7 million. Of these, 17 benefited LMI individuals or LMI geographies.

MHFA loans allow borrowers to buy homes with lower down payments. To be eligible for these loans, a borrower must meet the income and loan limit requirements and restrictions. During the exam period, the Lender originated 465 MHFA loans totaling \$121.2 million. In addition, the Lender originated 168 MHFA second mortgages or down payment assistance loans totaling \$1.2 million.

Fairway Independent participates in the Boston Home Center Financial Assistance Program which offers eligible applicants down payment assistance and/or assistance with closing costs. Applicants must be approved by a City of Boston participating mortgage lender, complete homebuyer education classes, and meet applicable income and property criteria. During the review period, eight loans were originated totaling \$102,873.

In addition, Fairway Independent launched a FNMA high LTV refinance option program. This program is designed to assist homeowners who are current on their mortgage payments, but have little to no equity in their homes, refinance their eligible mortgages to a more affordable mortgage with better terms. During the examination period, the lender originated four loans totaling \$785,650.

The FHLMC HomeOne program is a low down payment program serving first-time homebuyers regardless of income level and geographic location. During the examination period, the Lender originated two loans totaling \$790,550.

#### **IV. Loss Mitigation Efforts**

The Division reviews a mortgage lender's 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. Fairway Independent uses a third party, Cenlar FSB, to sub-service its retained servicing portfolio. Cenlar FSB, is responsible for all servicing functions including delinquency management and loss mitigation. For the review period, lending practices and products do not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.

#### **V. Fair Lending**

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The Lender's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and ECOA. The review included, but was not limited to, review of written policies and procedures and interviews with Fairway Independent's personnel.

Fairway Independent's compliance with the laws relating to discrimination and other illegal credit practices was reviewed. Fairway Independent has established an adequate record relative to fair lending policies and practices. No evidence of discriminatory or other illegal credit practices was identified.

#### Minority Application Flow

Examiners reviewed Fairway Independent's HMDA data to determine whether the mortgage application flow from various racial and ethnic groups was consistent with the area demographics. During 2017 and 2018, Fairway Independent received 10,165 HMDA-reportable mortgage loan applications from within Massachusetts. Of these applications, 1,564 or 15.4 percent were received from racial minority applicants, and 1,124 or 71.9 percent resulted in originations. For the same period, Fairway Independent received 813 or 8.0 percent of HMDA-reportable applications from ethnic groups of Hispanic or Latino origin, and 588 or 72.3 percent were originated. This compares to the 79.8 percent and 74.2 percent overall ratio of mortgage loans originated by the Lender in Massachusetts in 2017 and 2018 respectively, and the 72.3 percent originated by the aggregate group in 2017.

Demographic information for Massachusetts reveals the total racial and ethnic minority population stood at 25.7 percent of total population per the 2015 ACS. Racial minorities consisted of 6.5 percent Black; 6.0 percent Asian/Pacific Islander; 0.1 percent American Indian/Alaskan Native; and 2.6 percent identified as Other Race. Ethnic minorities consisted of 10.5 percent Hispanic or Latino.

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

<b>MINORITY APPLICATION FLOW</b>					
<b>RACE</b>	<b>2017 Lender</b>		<b>2017 Aggregate Data</b>	<b>2018 Lender</b>	
	#	%	% of #	#	%
American Indian/ Alaska Native	12	0.2	0.3	16	0.3
Asian	263	5.6	5.5	344	6.3
Black/ African American	320	6.8	4.1	379	6.9
Hawaiian/Pac Isl.	4	0.1	0.1	3	0.1
2 or more Minority	2	0.0	0.1	5	0.1
Joint Race (White/Minority)	108	2.3	1.4	108	2.0
<b>Total Minority</b>	<b>709</b>	<b>15.0</b>	<b>11.5</b>	<b>855</b>	<b>15.7</b>
White	3,753	79.8	67.0	4,243	77.7
Race Not Available	243	5.2	21.5	362	6.6
<b>Total</b>	<b>4,705</b>	<b>100.0</b>	<b>100.0</b>	<b>5,460</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	234	5.0	5.3	411	7.5
Not Hispanic or Latino	4,183	88.9	72.4	4,544	83.2
Joint (Hisp/Lat /Not Hisp/Lat)	87	1.8	1.1	81	1.5
Ethnicity Not Available	201	4.3	21.2	424	7.8
<b>Total</b>	<b>4,705</b>	<b>100.0</b>	<b>100.0</b>	<b>5,460</b>	<b>100.0</b>

Source: 2017 & 2018 HMDA Data and 2015 ACS

In 2017, Fairway Independent’s performance was higher than the aggregate’s performance for racial minority applicants. For the same period, Fairway Independent’s performance was slightly higher to the aggregate’s performance for ethnic minority applicants of Hispanic origin. For 2018, Fairway Independent showed a positive trend in both racial and ethnic minority application flow.

## ***VI. Loss of Affordable Housing***

The review concentrated on the suitability and sustainability of mortgage loans originated by Fairway Independent by taking into account delinquency and default rates of the 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. A review of information and documentation, from both internal and external sources as partially described above, did not reveal lending practices or products that showed an undue concentration of a systematic pattern of lending, including a pattern of early payment defaults resulting in the loss of affordable housing units. Furthermore, 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 Massachusetts or a broader regional area that includes Massachusetts.

Fairway Independent's Service Test performance was determined to be **"Satisfactory"** during the evaluation period.

### Community Development Services

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.

Fairway Independent provided an adequate level of community development services in Massachusetts which are highlighted below.

Fairway Independent is a participating lender at the Boston Home Center at the City of Boston's Department of Neighborhood Development. The Boston Home Center offers training, financial help and counseling to first-time homebuyers, guidance and funding to homeowners for home improvements, and counseling to help families avoid foreclosure.

Fairway Independent loan officers participate annually in first-time homebuyer workshops organized by the Asian Community Development Corporation (ACDC), a HUD-approved housing counseling agency. ACDC offers home buying services in English, Mandarin, and Cantonese to LMI individuals.

In addition, Fairway Independent's branch offices regularly sponsored and participated in homebuyer workshops at LMI locations in Massachusetts. Topics covered included pre-qualification, pre-approval, credit, income, asset, property value, loan products and the mortgage application process.

Fairway Independent's "American Warrior Initiative" (AWI) is a non-profit initiative designed to bring awareness of the challenges facing veterans upon their return from war. AWI provides training to Fairway Independent's loan professionals to become 'Military Mortgage Specialists' who are uniquely equipped to address the home loan needs of active and former military personnel.

## **Mortgage Lending Services**

The Commissioner evaluates the availability and effectiveness of a mortgage lender's systems for delivering mortgage lending services to LMI geographies and individuals.

Fairway Independent provides an adequate level of mortgage lending services to LMI geographies and individuals through origination transactions in Massachusetts. The Lender offers a variety of mortgage loan products including conventional, FHA, VA, USDA, and MHFA loans and brokers reverse mortgage loans. Fairway Independent uses a third party, Cenlar FSB, to sub-service its portfolio.

Consumers can apply for a loan face-to-face, by telephone and by the internet. There are nine Massachusetts branch locations in moderate-income census tracts. Fairway Independent generates its business in Massachusetts through referrals and repeat business.

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. Overall, the Lender provides an adequate delivery of mortgage lending services throughout Massachusetts.

## **Qualified Investments**

For the purposes of this CRA evaluation, a Qualified Investment is a lawful investment, deposit, membership share, or grant, the primary purpose of which is 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.

During the review period, Fairway Independent made donations to organizations within Massachusetts that meet the definition of Community development. An example of Fairway Independent's Community Development follows:

**Boys and Girls Clubs of Metro South** - Fairway Independent is a corporate sponsor of the Boys and Girls Clubs of Metro South, which provides youth-driven programs in safe and fun environments to nurture strong minds, healthy bodies, and community spirit. Fairway Independent partnered with the non-profit, The Nancy Lieberman Charities, to fund a basketball court at the Brockton Clubhouse during the review period. The majority of the members served in these organizations come from LMI households.

**The Open Door Food Pantry** – a non-profit food pantry whose mission is to alleviate the impact of hunger in its community service area of Gloucester, Rockport, Manchester-by-the-Sea, Essex, and surrounding towns. This organization consists of a food pantry, community meals, a thrift store, and a mobile market. The programs include free summer meals for children, assistance in applying for SNAP (food stamp) benefits, job-training, and a collaborative meals program that helps other organizations feed their clients. This organization primarily services LMI individuals.

**Community Giving Tree** – a Boxford based non-profit providing low-income families with clothing, diapers and baby equipment. This organization partners with other organizations in Haverhill, Lawrence, Lowell, Lynn and others that assist families in northeastern Massachusetts.

Management is encouraged to continue Fairway Independent's strong focus and pro-active commitment in community development activities or investments that meet the definition of community development under the CRA regulation throughout the Commonwealth.

## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

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

- 1) Make its most current CRA performance evaluation available to the public.
- 2) Provide a copy of its current evaluation to the public, upon request. The mortgage lender 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 the Division of Banks, may not be altered or abridged in any manner. The mortgage lender is encouraged to include its response to the evaluation in its CRA 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.