

PUBLIC DISCLOSURE

NOVEMBER 29, 2016

**CRA FOR MORTGAGE LENDERS
PERFORMANCE EVALUATION**

**FRANKLIN AMERICAN MORTGAGE COMPANY
MC1599**

**6100 TOWER CIRCLE, SUITE 600
FRANKLIN, TN 37067**

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

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.

GENERAL INFORMATION

Massachusetts General Law chapter 255E, section 8 and the Division of Banks' (Division) regulation 209 CMR 54.00 et seq., Mortgage Lender Community Investment Act (CRA), require the Division to use its authority when examining lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess the 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 CRA performance of **Franklin American Mortgage Company ("Franklin American" or "Lender")** prepared by the Division, the mortgage lender's supervisory agency, as of November 29, 2016.

SCOPE OF EXAMINATION

An evaluation was conducted using examination procedures, as defined by CRA. A review of the Division's records, as well as the mortgage 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 Franklin American'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.

CRA examination procedures were used to evaluate Franklin American's community investment performance. These procedures utilized two performance tests: the Lending Test and Service Test. This evaluation considered Franklin American's lending and community development activities for the period of January 1, 2015, through June 30, 2016. The data and applicable timeframes for the Lending Test and Service Test are discussed below.

The Lending Test evaluates the mortgage lender's community investment performance pursuant to the following six criteria: lending to borrowers of different incomes, geographic distribution of

loans, innovative and flexible lending practices, loss mitigation efforts, fair lending, and loss of affordable housing.

Home mortgage lending for 2015 and first two quarters of 2016 (YTD 2016) is presented in the geographic distribution, lending to borrowers of different incomes and the minority application flow tables. Comparative analysis of the mortgage lender's lending performance for the year of 2015 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 lenders which originated loans in the Commonwealth of 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, which includes, but is not limited to: an assessment of the suitability and sustainability of the mortgage lender's loan product by reviewing the lender's internally maintained records of the delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds 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 evaluated the mortgage lender's record of helping to meet the mortgage credit needs by analyzing, if applicable, the extent and innovativeness of its community development services, the availability and effectiveness of a mortgage lender's system for delivering mortgage loan products, efforts to keep delinquent home borrowers in their homes, and the range and to what degree of services provided.

MORTGAGE LENDER'S CRA RATING

This mortgage lender is rated “Satisfactory”

Lending Test: “Satisfactory”

- The distribution of borrowers, given the demographics of Massachusetts, reflects a reasonable record of servicing the credit needs among individuals of different levels, including those of low- and moderate-income.
- The geographic distribution of the mortgage lender’s loan reflects a reasonable dispersion in low- and moderate-income census tracts as it is reflective of distribution of owner occupied housing in those census tracts.
- Franklin American offers flexible lending products, which are provided in a safe and sound manner to address the credit needs of low- and moderate-income individuals.
- Fair Lending policies are considered adequate.

Service Test: “Satisfactory”

- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the Commonwealth and services do not vary in a way that inconveniences geographies or individuals, particularly low- and moderate-income geographies and low- and moderate-income individuals.
- Franklin American provided an adequate number of community development services in the Commonwealth.

PERFORMANCE CONTEXT

Description of Mortgage Lender

Franklin American is a privately held, full-service, mortgage banking company, incorporated in the state of Tennessee on May 7, 1993, and registered in the Commonwealth of Massachusetts on July 7, 2005. Franklin American was granted a Mortgage Lender license on October 16, 2006. The Lender has its main office located at 6100 Tower Circle, Suite 600 in Franklin, Tennessee. Franklin American is licensed in all fifty states and the District of Columbia. The Lender has branches in Connecticut, Massachusetts, New Hampshire, New Jersey, and Pennsylvania. There are four locations within Massachusetts. The wholesale operations center is located in Middleton, Massachusetts. There remaining Massachusetts locations are retail branches located in Braintree, West Wareham and Woburn.

Franklin American’s primary business is originating and selling mortgage loans. The Lender originates and sells residential home mortgage loans to the secondary market with servicing rights retained on the majority of the loans.

Franklin American offers a variety of mortgage loan products to meet the needs of the Commonwealth’s borrowers which include, Fixed Rate and Adjustable Rate, Federal Housing Administration (FHA), Veteran’s Administration (VA), United States Department of Agriculture (USDA) Fannie Mae HomeReady Mortgage, HARP, and Massachusetts Housing Bond Mortgages.

During the examination period of 2015 and YTD 2016, Franklin American originated or purchased 1,392 loans totaling approximately \$380.8 million in Massachusetts.

Demographic Information

The CRA 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.

| 2010 CENSUS DEMOGRAPHIC INFORMATION | | | | | | |
|--|---------------|--|-------------------|-----------------|----------------|--------------|
| Demographic Characteristics | Amount | Low % | Moderate % | Middle % | Upper % | N/A % |
| Geographies (Census Tracts) | 1,474 | 11.1 | 19.0 | 40.6 | 27.9 | 1.4 |
| Population by Geography | 6,547,629 | 9.2 | 18.0 | 42.4 | 30.2 | 0.2 |
| Owner-Occupied Housing by Geography | 1,608,474 | 3.1 | 13.0 | 48.3 | 35.6 | 0.0 |
| Family Distribution by Income Level | 1,600,588 | 22.2 | 16.5 | 20.6 | 40.7 | 0.0 |
| Distribution of Low and Moderate Income Families | 619,565 | 15.7 | 25.9 | 40.9 | 17.5 | 0.0 |
| Median Family Income | \$86,272 | Median Housing Value | | | 373,206 | |
| Households Below Poverty Level | 11.1% | Unemployment Rate | | | 2.9* | |
| 2014 HUD Adjusted Median Family Income | \$83,700 | 2015 HUD Adjusted Median Family Income | | | \$87,300 | |

Source: 2010 US Census; *as of 11/30/2016

Based on the 2010 Census, the Commonwealth's population was above 6.5 million people with a total of 2.8 million housing units. Of the total housing units, 1.6 million or 57.7 percent are owner occupied, 904,078 or 32.5 percent are rental-occupied, and 9.8 percent are vacant units. According to the 2010 Census there are 2.5 million households in the Commonwealth with a median of 69,101. Over 39 percent of households are now classified as low- and moderate-income. Over 11 percent of the total number 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, 22.2 percent were low-income, 16.5 percent were moderate-income, 20.6 percent were middle-income, and 40.7 percent were upper-income. The median family income reported by the 2010 Census was \$86,272. The Housing and Urban Development (HUD) adjusted median family income was \$87,300 in 2015. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contained 1,474 Census tracts. Of these, 164 or 11.1 percent are low-income; 281 or 19.0 percent are moderate-income; 598 or 40.6 percent are middle-income; 411 or 27.9 percent are upper-income; and 20 or 1.4 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 \$373,206 according to the 2010 Census. The unemployment rate for the Commonwealth of Massachusetts as of November 30, 2016, stood at 2.9 percent, which was a decrease from December 31, 2015, at which time it stood at 4.7 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

Franklin American’s lending efforts are rated under six performance criteria: Borrower Characteristics, Geographic Distribution, Innovative or Flexible Lending Practices, Loss Mitigation Efforts, Fair Lending Policies and Procedures, and Loss of Affordable Housing. The following details the data compiled, reviewed and conclusions on Franklin American’s lending.

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

I. 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. The following table shows the distribution of HMDA-reportable loans to low-, moderate-, middle- and upper-income borrowers in comparison to the aggregate data (including Franklin American) and the percentage of total families within the Commonwealth of Massachusetts within each respective group.

| <i>Distribution of HMDA Loans by Borrower Income</i> | | | | | | |
|--|---------------|------------------------|--------------|--------------------------------------|----------------------------|--------------|
| Median Family Income Level | % of Families | 2015 Franklin American | | 2015 Aggregate Lending Data (% of #) | YTD 2016 Franklin American | |
| | | # | % | | # | % |
| Low | 22.2 | 37 | 3.7 | 6.7 | 21 | 5.5 |
| Moderate | 16.5 | 128 | 12.6 | 17.1 | 42 | 11.1 |
| Middle | 20.6 | 172 | 17.0 | 21.9 | 68 | 17.9 |
| Upper | 40.7 | 195 | 19.3 | 38.2 | 76 | 20.0 |
| NA | 0.0 | 480 | 47.4 | 16.1 | 173 | 45.5 |
| Total | 100.0 | 1,012 | 100.0 | 100.0 | 380 | 100.0 |

Source: 2015 & 2016 HMDA Data and 2010 U.S. Census

Franklin American originated and purchased 1,012 loans in 2015 within the Commonwealth of Massachusetts. The Lender’s originations to low- and moderate-income borrowers was lower than the aggregate. The total originations appear decreased in the first half of 2016. The Lender’s originations during YTD 2016 revealed an upward trend for lending to low-income borrowers. Overall, Franklin American achieved a reasonable record of serving the mortgage credit needs among borrowers of different income levels and in comparison to the aggregate lending data in Massachusetts.

II. Geographic Distribution

The geographic distribution of loans was reviewed to assess how well Franklin American is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income census tracts. The following table shows the distribution of HMDA-reportable loans by census tract income level in comparison to the aggregate data (including Franklin American) and the percentage of owner-occupied housing units within the Commonwealth of Massachusetts within each respective group.

| <i>Distribution of HMDA Loans by Income Category of the Census Tract</i> | | | | | | |
|--|----------------------------------|------------------------|--------------|--------------------------------------|----------------------------|--------------|
| Census Tract Income Level | % Total Owner-Occ. Housing Units | 2015 Franklin American | | 2015 Aggregate Lending Data (% of #) | YTD 2016 Franklin American | |
| | | # | % | | # | % |
| Low | 3.1 | 36 | 3.6 | 4.0 | 15 | 4.0 |
| Moderate | 13.0 | 111 | 11.0 | 13.7 | 59 | 15.5 |
| Middle | 48.3 | 552 | 54.5 | 46.6 | 189 | 49.7 |
| Upper | 35.6 | 308 | 30.4 | 35.6 | 117 | 30.8 |
| NA | 0.00 | 5 | 0.5 | 0.1 | 0 | 0.0 |
| Total | 100.0 | 1,012 | 100.0 | 100.0 | 380 | 100.0 |

Source 2015 & 2016 HMDA Data and 2010 U.S. Census

The Lender's percentage of lending to low- and moderate-income level geographies in 2015 was below the aggregate and the area's owner-occupied housing units in low-income level geographies. The Lender's originations are comparable for YTD 2016 for both low- and moderate-income tracts and reveal a stable trend for lending in these geographies. The geographic distribution of residential mortgage loans reflects a reasonable dispersion throughout low- and moderate-income level census tracts within the Commonwealth.

III. Innovative or Flexible Lending Practices

Franklin American offers 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 in the Commonwealth. The Lender's flexible lending products include: Fannie Mae HomeReady, Fannie Mae Home Affordable Refinance Program (HARP), FHA, VA, USDA, and Mass Housing.

Franklin American has delegated underwriting authority for Fannie Mae's agency affordable lending products. The products serve low- and moderate-income borrowers and geographies. The Fannie Mae HomeReady loan product is a low-down payment mortgage option for low- and moderate-income borrowers. Franklin American originated 2 Fannie Mae HomeReady loans totaling \$325,400 during the review period.

Franklin American also offered HARP loans, which are designed to assist homeowners in refinancing their eligible mortgages to a more affordable mortgage with better terms. Franklin American originated 7 HARP loans totaling \$1.5 million during the review period.

Franklin American is a Housing and Urban Development direct endorsement mortgage lender or the Federal Housing Administration (FHA) insured mortgage. FHA products provide competitive interest rates and smaller down payment requirements for low- and moderate-income first time homebuyers and existing homeowners. During the review period, Franklin American originated and purchased 369 FHA loans totaling \$98.0 million. Of these, 79 loans benefited low- and moderate-income individuals and 101 loans benefited low- and moderate-income geographies.

Franklin American is also a Veterans Administration (VA) lender. The VA Home Loan Guarantee Program is designed specifically for service members, veterans, or their qualified surviving spouse. The program offers low closing costs, no down payment, and no private mortgage insurance. During the review period, the mortgage lender originated or purchased 100 VA loans totaling \$29.8 million. Of these, 16 loans benefited low- and moderate-income individuals and 13 loans benefited low- and moderate-income geographies.

The USDA Rural Housing program is an innovative loan program for eligible homebuyers in rural-designated areas. For home purchase transactions, the program offers fixed interest rates and 100 percent financing with no down-payment required. During the review period, the lender originated or purchased 18 USDA loans totaling \$4.0 million. Of these, 5 loans benefitted low- and moderate-income individuals and none benefited low- and moderate-income geographies.

In addition, Franklin American offers Mass Housing loans which allow borrowers to buy homes with lower down payments. To be eligible for these loans, a borrower must meet minimum income and loan limits. During the examination period, the lender originated 15 loans totaling \$3.3 million.

IV. Loss Mitigation Efforts

Franklin American does not routinely service mortgage loans for Massachusetts consumers and any loans serviced are done so through a sub-servicer. Therefore, this review did not include an evaluation of loan mitigation and modification efforts as Franklin American would not be accountable for such action. Lending practices and products did not show an undue concentration or 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 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. No evidence of disparate treatment or other illegal practices was identified.

Franklin American has established an adequate record relative to fair lending policies and practices.

Fair lending is incorporated in the Lender's company-wide policy and procedures. Employees are instructed to not discriminate against loan applicants on the basis of race or color, national origin, religion or creed, sex, marital status, familial status, sexual orientation, handicap or disability, or age, or the fact that all or part of the applicant's income is derived from a public assistance program, or has in good faith exercised any right under the Consumer Credit Protection Act. Lending policies and procedures apply to all employees and are monitored for updates in regard to regulatory changes.

Minority Application Flow

Franklin American's Loan Application Registers for 2015 and YTD 2016 were reviewed to determine if the application flow from the different racial and ethnic groups within the Commonwealth of Massachusetts was reflective of the area's demographics.

During the review period Franklin American received 1,713 HMDA-reportable applications from within the Commonwealth of Massachusetts. Of these applications 146 or 8.5 percent were received from racial minority applicants, of which 100 or 68.5 percent resulted in originations and 24 or 16.4 percent were denied. Franklin American received 79 or 4.6 percent HMDA-reportable applications from ethnic groups of Hispanic origin, of which 55 or 69.6 percent resulted in originations and 12 or 15.2 percent were denied. This compares to 80.1 percent overall ratio of mortgage loans originated by the Lender in Massachusetts, and the 72.7 percent approval ratio for the aggregate.

Demographic information for Massachusetts reveals the total racial and ethnic minority population stood at 23.9 percent of total population as of 2010 Census. This portion of the population is comprised of 6.0 percent Black; 5.3 percent Asian/Pacific Islander; 0.2 percent American Indian/Alaskan Native; and 2.8 percent identified as Other Race. Ethnic minorities consisted of 9.6 percent Hispanic or Latino.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to 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 | 2015 Franklin American | | 2015 Aggregate Data | YTD 2016 Franklin American | |
| | # | % | % of # | # | % |
| American Indian/ Alaska Native | 1 | 0.1 | 0.2 | 1 | 0.2 |
| Asian | 38 | 3.0 | 4.8 | 20 | 4.5 |
| Black/ African American | 40 | 3.2 | 3.3 | 26 | 5.8 |
| Hawaiian/Pac Isl. | 0 | 0.0 | 0.1 | 0 | 0.0 |
| 2 or more Minority | 0 | 0.0 | 0.1 | 0 | 0.0 |
| Joint Race (White/Minority) | 13 | 1.0 | 1.3 | 7 | 1.5 |
| Total Minority | 92 | 7.3 | 9.8 | 54 | 12.0 |
| White | 719 | 56.9 | 67.6 | 366 | 81.5 |
| Race Not Available | 453 | 35.8 | 22.6 | 29 | 6.5 |
| Total | 1,264 | 100.0 | 100.0 | 449 | 100.0 |
| ETHNICITY | | | | | |
| Hispanic or Latino | 35 | 2.8 | 4.1 | 29 | 6.5 |
| Not Hispanic or Latino | 768 | 60.7 | 72.6 | 385 | 85.7 |
| Joint (Hisp/Lat /Not Hisp/Lat) | 9 | 0.7 | 1.0 | 6 | 1.3 |
| Ethnicity Not Available | 452 | 35.8 | 22.3 | 29 | 6.5 |
| Total | 1,264 | 100.0 | 100.0 | 449 | 100.0 |

Source: 2010 U.S. Census Data, 2015 & 2016 HMDA Data

Franklin American's performance during 2015 was below aggregate for racial minority and ethnic minority applications. The Lender's minority application flow percentage in YTD 2016 trended upward for both racial and ethnic minority applicants.

VI. Loss of Affordable Housing

The review concentrated on the suitability and sustainability of mortgage loans originated by Franklin American by taking into account delinquency and default rates of the mortgage lender and those of the overall marketplace. Information provided by the mortgage 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 sources including public records of foreclosure filings.

An extensive 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, if applicable, extent and innovativeness of its community development services, the availability and effectiveness of a mortgage lender's system for delivering mortgage loan products, efforts to keep delinquent home borrowers in their homes, and the range and to what degree of services provided. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

Franklin American'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.

Franklin American provided an adequate level of Community Development Services in the Commonwealth which are highlighted below.

Community Development Services

Haverhill Boys and Girls Club

A Vice President of Franklin American Mortgage Company serves on the Board of Directors of the organization. This organization provides children and young adults a safe place to learn, life enhancing programs and character development experiences. More than 65 percent of the members served come from low-income households.

Massachusetts Mortgage Bankers Association Foundation

A Vice President of Franklin American Mortgage Company serves as a Board member. The Foundation was established in 2004 as the philanthropic partner of the Massachusetts MBA. The Foundation was organized for the purpose of providing grants that would be utilized towards the development of education and promotion of affordable housing within the Commonwealth of Massachusetts. The Foundation grants financial support to not-for-profit housing advocates.

Educational Seminars

The West Wareham, Massachusetts, retail branch sponsored weekly on-going homebuyer workshops which were free and open to the public. Topics covered were credit, income, assets, down payment assistance programs and affordable lending programs including FHA and Mass Housing.

The West Wareham branch manager and a loan officer annually attended the DECA Home Show and presented information regarding down-payment assistance programs and affordable lending programs including FHA, VA, USDA, and Mass Housing. The event was held at Wareham High school and was free and open to the public.

The West Wareham branch manager and a loan officer annually participated in the “Credit for Life” fair at Wareham High School. “Credit for Life” is a financial education program for high school students to learn the basics of personal finance.

In addition, Franklin American Mortgage Company conducted a Virtual Homebuyer Seminar. The online seminar provided potential homebuyers in Massachusetts education regarding “Know Before You Owe”, choosing the right mortgage product, and the loan process.

Qualified Investments

A qualified investment is a lawful investment deposit, membership share, or grant having as its primary purpose community development. During the examination period, Franklin American made \$7,410 in donations to organizations within the Commonwealth of Massachusetts that meet the definition of Community Development. An example of Franklin American’s Community Development contributions follows:

Habitat for Humanity

This organization works with communities across the United States and around the world to create decent, affordable housing and works with families to help them acquire the access, skills and financial education for them to be successful homeowners.

Haverhill Boys and Girls Club

This organization provides children and young adults a safe place to learn, life enhancing programs and character development experiences. More than 65 percent of the members served come from low-income households.

Junior Achievement

This is the world’s largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. The programs help prepare young people for the real world by showing them how to generate wealth and effectively manage it, how to create jobs which make their communities more robust, and how to apply entrepreneurial thinking to the workplace.

Massachusetts Mortgage Bankers Association Foundation

The Foundation was established in 2004 as the philanthropic partner of the Massachusetts MBA. The Foundation was organized for the purpose of providing grants that would be utilized towards the development of education and promotion of affordable housing within the Commonwealth of Massachusetts. The Foundation grants financial support to not-for-profit housing advocates.

Mortgage Lending Services

The Lender provides an effective delivery of mortgage lender services that are accessible to geographies and individuals of different income levels in the Commonwealth. The Lender offers a variety of mortgage products including conventional, FHA, VA, USDA, Fannie Mae HomeReady, HARP, and MassHousing loans. Customers can apply for a mortgage over the phone, over the internet, or at a branch. Franklin American maintains three retail branches in the Commonwealth of Massachusetts.

Business development relies on multiple delivery systems. Franklin American currently originates or purchases mortgage loans through three channels of business, retail, wholesale and correspondent. Through the retail channel, mortgage loans are originated by retail loan officers. These loan officers develop business locally, through direct marketing efforts, and through repeat customers. Franklin American's wholesale channel makes up 43 percent of the Lender's originations. Account executives solicit business from area mortgage brokers. The correspondent channel purchases originates mortgage loans from correspondent lenders as secondary market transactions.

Mortgage loans are originated through approved mortgage brokers, who have taken the application and processed the loan file. Franklin American provides rate protection, underwriting and closing support to the brokers. Loans are processed and underwritten in the Middleton operations office. Underwriting and processing of loans is primarily centralized. Approved loans are funded through an established warehouse line of credit and mortgage servicing is outsourced.

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.