

**PUBLIC DISCLOSURE**

**JULY 20, 2021**

**MORTGAGE LENDER COMMUNITY INVESTMENT  
PERFORMANCE EVALUATION**

**GUARANTEED RATE, INC.  
d/b/a rate.com  
MC2611**

**3940 N RAVENSWOOD  
CHICAGO, ILLINOIS 60613**

**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 **Guaranteed Rate, Inc. d/b/a rate.com (Guaranteed Rate 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 July 20, 2021.

### 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 Guaranteed Rate'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 Guaranteed Rate's community investment performance. These procedures utilize three performance tests: the Lending Test, the Service Test, and Investment Test. This evaluation considered Guaranteed Rate's lending and community development activities for the period of January 1, 2019 through December 31, 2020. The data and applicable timeframes for the Lending Test, Service Test, and Investment 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 data for 2019 and 2020 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 2019 and 2020 is provided as they are the most recent years for which aggregate Home Mortgage Disclosure Act (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 that 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 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 the mortgage lender's record of helping to meet the 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.

The Investment Test evaluates the mortgage lender's lawful investment, deposit, membership share, or grant that has as its primary purpose community development by analyzing the number of investment and grants, the extent to which community development opportunities have been made available to the institution, and the responsiveness of the institution's community development grants to the assessment area's needs. A mortgage lender that achieves at least a satisfactory rating under both the Lending and Service Tests may warrant consideration for an overall rating of "high satisfactory" or "outstanding" based upon the mortgage lender's performance in making qualified investments and community development loans to the extent authorized under law.

## **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 a reasonable record of serving the credit needs among individuals of different income levels.
- Guaranteed Rate exhibited use of innovative or 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 and practices are considered adequate.
- Service delivery systems are accessible to geographies and individuals of different income levels in Massachusetts.

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

- Guaranteed Rate provided community development activities within Massachusetts.
- The Lender provided donations, which had as the primary purpose in community development.

**PERFORMANCE CONTEXT**

**Description of Mortgage Lender**

Guaranteed Rate was established in Delaware in November 1999 and was first licensed in Massachusetts as a mortgage lender in June 2007. The Lender is a nationwide lender engaged in underwriting, funding, and sale of residential mortgages. The Lender's headquarters are located at 3940 N. Ravenswood Avenue in Chicago, Illinois. The Lender operates 30 retail branches in Massachusetts located in Agawam, Andover, Boston, Braintree, Duxbury, Fall River, Foxborough, Hingham, Hopkinton, Hudson, Lexington, Lowell, Middleton, Natick, Newburyport, Peabody, Plainville, Reading, Scituate, Wakefield, Waltham, West Springfield, Weymouth and Winchester.

Guaranteed Rate offers a variety of mortgage loan products to meet the needs of the Commonwealth’s borrowers. Guaranteed Rate is an approved lender for the Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture (USDA), in addition to offering conventional loan products. Underwriting is conducted remotely or at the corporate office. Guaranteed Rate’s business development relies primarily on referrals and repeat business. Originated loans are closed in the Lender’s name and sold immediately to secondary market investors with the majority sold with servicing rights released. Dovenmuehle Mortgage, Inc. conducts servicing functions on the small percentage of loans with servicing rights retained.

During 2019 and 2020, Guaranteed Rate originated 24,791 loans totaling approximately \$10.8 billion in Massachusetts.

**Demographic Information**

The Division’s regulation 209 CMR 54.00 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			8.4%*
2019 HUD Adjusted Median Family Income	\$101,200		2020 HUD Adjusted Median Family Income			\$104,900

Source: 2015 American Community Survey (ACS); \*Bureau of Labor Statistics as of 12/31/2020

Based on the 2015 American Community Survey (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 56.4 percent are owner occupied, 966,054 or 34.5 percent are rental units, and 9.1 percent are vacant units.

According to 2015 ACS data, there are 2.5 million households in Massachusetts with a median of household income of \$74,527. Over 41 percent of households were 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 Department of Housing and Urban Development (HUD) adjusted median family income was \$101,200 in 2019 and increased to \$104,900 in 2020. The HUD 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 income 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 data. The unemployment rate for the Massachusetts as of December 31, 2020, was 8.4 percent, which was an increase from December 31, 2019, at which time it was 2.9 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**

The Lending Test evaluates a mortgage lender’s record of helping to meet the mortgage credit needs of the Commonwealth through its lending activities. Lending performance is rated under six performance criteria: geographic distribution, borrower characteristics, innovative or flexible lending practices, loss mitigation efforts, 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 Guaranteed Rate.

Guaranteed Rate’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 Guaranteed Rate 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 is also compared to aggregate lending performance in 2019 and 2020.

<i>Geographic Distribution of HMDA loans by Census Tract</i>						
<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>
<b>Low</b>						
2019	3.4	4.4	288	3.7	113,131	3.3
2020		3.6	516	3.0	194,622	2.6
<b>Moderate</b>						
2019	13.8	14.6	1,172	15.1	453,158	13.2
2020		13.2	2,199	12.9	835,732	11.3
<b>Middle</b>						
2019	44.4	43.5	3,205	41.4	1,276,197	37.2
2020		42.9	6,868	40.3	2,707,764	36.7
<b>Upper</b>						
2019	38.3	37.4	3,058	39.5	1,571,323	45.8
2020		40.2	7,415	43.5	3,625,014	49.1
<b>Not Available</b>						
2019	0.1	0.1	24	0.3	14,753	0.4
2020		0.1	46	0.3	25,090	0.3
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>7,747</b>	<b>100.0</b>	<b>3,428,562</b>	<b>100.0</b>
<b>2020</b>		<b>100.0</b>	<b>17,044</b>	<b>100.0</b>	<b>7,388,222</b>	<b>100.0</b>
<i>Source: 2019 and 2020 Lender, 2019 and 2020 Aggregate HMDA Data and 2015 ACS</i>						

Guaranteed Rate’s geographic distribution of loans in low-income tracts was below the aggregate and above the demographic in 2019. The Lender’s performance in moderate-income tract was above both the aggregate and the demographic in 2019. The Lender’s performance of lending in LMI tracts decreased from 18.8 percent in 2019 to 15.9 percent in 2020. Although the Lender’s overall lending decreased from 2019 to 2020, the number of loans originated to LMI census tracts increased between both years. Guaranteed Rate’s geographic distribution of residential mortgage is adequate.

## 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 were reported by Guaranteed Rate during 2019 and 2020, and compares this activity to 2019 and 2020 aggregate lending data and the percentage of families by income level within Massachusetts 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						
2019	23.3	6.0	207	2.7	44,840	1.3
2020		5.0	454	2.7	98,971	1.3
Moderate						
2019	16.4	18.2	1,279	16.5	378,573	11.0
2020		17.3	2,700	15.8	829,478	11.2
Middle						
2019	19.4	22.8	2,083	26.9	792,662	23.1
2020		23.2	4,523	26.5	1,741,038	23.6
Upper						
2019	40.9	39.8	4,152	53.6	2,202,818	64.3
2020		42.6	9,013	52.9	4,568,938	61.8
Not Available						
2019	0.0	13.2	26	0.3	9,669	0.3
2020		11.9	354	2.1	149,797	2.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>7,747</b>	<b>100.0</b>	<b>3,428,562</b>	<b>100.0</b>
<b>2020</b>		<b>100.0</b>	<b>17,044</b>	<b>100.0</b>	<b>7,388,222</b>	<b>100.0</b>
<i>Source: 2019 and 2020 Lender, 2019 and 2020 Aggregate HMDA Data and 2015 ACS</i>						

Lending to low-income borrowers during 2019 was below both the percentage of low-income families and the aggregate. Lending to moderate-income borrowers during 2019 was slightly above the percentage of moderate-income families and below the aggregate. In 2020, lending to LMI borrowers was below the aggregate.



The Lender's performance among LMI borrowers decreased from 2019 to 2020 from 19.2 percent to 18.5 percent; however, the number of originated loans to both LMI borrowers increased from 2019 to 2020.

According to the 2015 census data, 12 percent of the families within the Commonwealth have incomes below the poverty threshold; therefore would most likely not qualify for home ownership given high housing costs. The aggregate among LMI borrowers also decreased from 2019 to 2020 from 24.2 percent to 22.4 percent. The Lender's overall lending performance to LMI borrowers is reasonable at this time.

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

Guaranteed Rate offers 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, Guaranteed Rate originated 1,278 FHA loans totaling \$526.2 million. Of these, 890 benefited LMI individuals or 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, Guaranteed Rate originated 828 VA loans totaling \$370.5 million. Of these, 248 benefited LMI individuals or geographies.

Guaranteed Rate is an approved USDA Rural Housing program lender. The USDA program provides 100 percent financing for eligible homebuyers in rural-designated areas. This program is for home purchase transactions, which offers a fixed rate, does not require a down payment, and includes low- and moderate-income requirements. During the review period, the Lender originated 16 USDA loans totaling \$4.3 million. Of these, 9 benefited LMI individuals or geographies.

Guaranteed Rate also offers Massachusetts Housing Finance Agency (MHFA) loans. 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 review period, the Lender originated 330 MHFA loans for \$106.1 million. The Lender also originated 156 second mortgage loans for \$1.8 million.

The Lender offers the Fannie Mae Home Possible, Fannie Mae HomeStyle, Freddie Mac Home Ready, and Freddie Mac HomeOne Programs designed to assist eligible applicants obtain an affordable mortgage. During the review period, the Lender originated 389 loans totaling \$126.7 million in these programs that benefited LMI individuals or geographies.

Guaranteed Rate originated six down-payment assistance loans from the City of Boston. This program is available to qualified LMI borrowers and LMI geographies.

#### **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. As Guaranteed Rate does not service mortgage loans, it would not work directly with delinquent borrowers. Therefore, this review does not include an evaluation of loan mitigation and modification efforts as the Lender would not be accountable for such action.

#### **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, a review of written policies and procedures, interviews with Guaranteed Rate's personnel, and individual file review. Guaranteed Rate has established a reasonable record relative to fair lending policies and practices. No evidence of discriminatory or other illegal credit practices was identified.

#### **Minority Application Flow**

Examiners reviewed Guaranteed Rate's HMDA data to determine whether the mortgage application flow from various racial and ethnic groups was consistent with the area demographics.

During 2019 and 2020, Guaranteed Rate received 35,190 HMDA-reportable mortgage loan applications from within Massachusetts. Of these applications, 5,154 or 14.6 percent were received from racial minority applicants, and 3,351 or 65.0 percent resulted in originations. For the same period, Guaranteed Rate received 2,388 or 6.8 percent of HMDA-reportable applications from ethnic groups of Hispanic or Latino origin, and 1,534 or 64.2 percent were originated. This compares to the 70.4 percent overall ratio of mortgage loans originated by the Lender in Massachusetts in 2019 and 2020 and the 71.6 percent originated by the aggregate group in 2019 and 2020.

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 self-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>2019 Lender</b>		<b>2019 Aggregate Data</b>	<b>2020 Lender</b>		<b>2020 Aggregate Data</b>
	#	%	% of #	#	%	% of #
American Indian/ Alaska Native	16	0.2	0.2	32	0.1	0.2
Asian	963	8.8	5.8	2,221	9.2	6.6
Black/ African American	390	3.6	4.2	674	2.8	3.6
Hawaiian/Pac Isl.	6	0.1	0.2	22	0.1	0.1
2 or more Minority	15	0.1	0.1	32	0.1	0.1
Joint Race (White/Minority)	215	2.0	1.4	568	2.3	1.6
<b>Total Minority</b>	<b>1,605</b>	<b>14.7</b>	<b>11.9</b>	<b>3,549</b>	<b>14.6</b>	<b>12.1</b>
White	6,910	63.1	65.6	15,970	65.9	65.4
Race Not Available	2,436	22.2	22.5	4,720	19.5	22.5
<b>Total</b>	<b>10,951</b>	<b>100.0</b>	<b>100.0</b>	<b>24,239</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	584	5.3	5.8	1,354	5.6	5.1
Not Hispanic or Latino	7,363	67.2	70.3	16,295	67.2	70.4
Joint (Hisp/Lat /Not Hisp/Lat)	132	1.2	1.1	318	1.3	1.2
Ethnicity Not Available	2,872	26.2	22.8	6,272	25.9	23.3
<b>Total</b>	<b>10,951</b>	<b>100.0</b>	<b>100.0</b>	<b>24,239</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2019 and 2020 Lender, 2019 and 2020 Aggregate HMDA Data and 2015 ACS</i>						

In 2019 and 2020, Guaranteed Rate’s performance was above the aggregate’s performance for minority applicants. For 2019, Guaranteed Rate’s performance was below the aggregate’s performance for ethnic minority applicants of Hispanic origin and above the aggregate’s performance in 2020. The Lender’s performance increased from 2019 to 2020 for racial minority applicants and ethnic minority applicants from 21.2 to 21.5 percent.

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

The review concentrated on the suitability and sustainability of mortgage loans originated by Guaranteed Rate 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.

## **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.

Guaranteed Rate'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.

During the review period, the Lender provided an adequate level of community development services within the Commonwealth.

During the review period, Guaranteed Rate's loan originators presented seven first time homebuyers seminars in partnership with Somerville Community Corporation, an area non-profit, that offers services and leads community organizing that supports LMI Somerville residents. The homebuyers' seminars were both in-person and virtually during the COVID-19 pandemic. A Guaranteed Rate loan originator also led two virtual first time homebuyer education classes for the "Workforce 2 program". Topics included affordable lending products, credit, and the application process. A Guaranteed Rate branch manager led an online toy drive in conjunction with the Salvation Army of Cambridge, which is located in a moderate-income geography. Guaranteed Rate also assisted in fundraising for the Greater Boston Food Bank.

Management is encouraged to continue its strong focus and pro-active commitment in community development activities and investments that meet the definition of community development under the CRA regulation throughout the Commonwealth. Other activities may include, but are not necessarily limited to: financial literacy education initiatives targeted to LMI individuals; and foreclosure prevention counseling, and/or providing technical assistance to community organizations in a leadership capacity.

### **Mortgage Lending Services**

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

Guaranteed Rate provides a reasonable delivery of mortgage lender services that are accessible to geographies and individuals of different income levels in Massachusetts. The Lender offers a variety of mortgage loan products such as Fannie Mae HomePossible, Fannie Mae HomeStyle, Freddie Mac HomeReady, Freddie mac HomeOne, FHA, VA, and USDA products. Guaranteed Rate generates its applications through loan originators at its retail branches. Three branches are located in LMI areas: Fall River and Lowell, located in low-income census tracts, and Peabody, located in a moderate-income census tract. The Fall River and Lowell branches were opened during the examination period. Customers can apply to Guaranteed Rate for a mortgage loan over the telephone, in person at a branch, or via the company's website. During the examination period, the majority of originations were sold on the secondary market with servicing rights released. The Lender has online resources and learning center featuring information on financial topics and the mortgage process in general. Guaranteed Rate has a language line available to assist foreign-language borrowers.

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 the Commonwealth.

## INVESTMENT TEST

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 valuation considered (1) the number of investments and grants, (2) the extent to which community development opportunities have been made available by the institution, and (3) the responsiveness of the institution's community development grants to the assessment area's needs.

The Guarantee Rate Foundation (The Foundation) is involved in nationwide initiatives that focus on investments in housing stability and food security. The Foundation is primarily funded with a contribution from Guaranteed Rate. The Foundation also seeks donations from other organizations in support of its charitable missions. The Foundation provided financial support to both non-profit organizations and direct grants to individuals and their families in situations arising from unforeseen hardship and/or emergency circumstances. Funded requests have ranged from food, clothing, and shelter following a natural disaster to assisting with housing, transportation and outstanding bills as a result of a job loss or medical emergency. Several of these funded requests have benefitted residents of the Commonwealth.

During the review period, The Foundation made approximately \$74,824 in donations to organizations within the Commonwealth that meet the definition of community development. The Foundation also provided another \$6.7 million to the nationwide organizations Feeding America and Baby2Baby.

## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

Massachusetts General Laws Chapter 255E, Section 8, and 209 CMR 54.00, the Mortgage Lender Community Investment (CRA) regulation, require 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.