

PUBLIC DISCLOSURE

MAY 1, 2025

**MORTGAGE LENDER COMMUNITY INVESTMENT
PERFORMANCE EVALUATION**

**MSA MORTGAGE, LLC
MC1984**

**354 MAIN STREET
WINTHROP, MASSACHUSETTS 02152**

**DIVISION OF BANKS
ONE FEDERAL STREET, SUITE 710
BOSTON, MASSACHUSETTS 02110**

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.
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GENERAL INFORMATION

This document is an evaluation of the Mortgage Lender Community Investment (CRA) performance of **MSA Mortgage, LLC (Lender or MSA Mortgage)** pursuant to 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 **May 1, 2025**.

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.

The CRA examination included a comprehensive review and analysis, as applicable, of MSA Mortgage'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 mortgage 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 MSA Mortgage's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered MSA Mortgage's lending and community development activities for the period of January 1, 2022, through December 31, 2023. The data and applicable timeframes for the Lending Test and the Service Test are discussed below.

The Lending Test evaluates the mortgage lender's community investment performance pursuant to the following 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 2022 and 2023 is presented in the geographic distribution, lending to borrowers of different incomes and the minority application flow tables. Comparative analysis of the Lender's lending performance for both years is provided. 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 Home Mortgage Disclosure Act (HMDA) reporting mortgage lenders who originated loans in the Commonwealth.

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 the mortgage lender's loan products by reviewing the lender's internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds and through other sources available to the examination team. The examination included inspection of individual loan files for review of compliance with consumer protection provisions and scrutiny of these files for the occurrence of disparate treatment based on a prohibited basis.

The Service Test evaluates the mortgage lender's record of helping to meet 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.

MORTGAGE LENDER'S CRA RATING:

This mortgage lender is rated “Satisfactory”

Lending Test: “Satisfactory”

- The geographic distribution of the Lender's loans reflects adequate dispersion in LMI census tracts.
- Given the demographics of Massachusetts, the loan distribution to borrowers reflects an adequate record of serving the credit needs among individuals of different income levels.
- MSA Mortgage makes use of flexible lending products, which are provided in a safe and sound manner to address the credit needs of LMI individuals.
- 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 Test: “Satisfactory”

- The Lender provides an adequate level of community development services within the Commonwealth during the evaluation period.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the Commonwealth.

PERFORMANCE CONTEXT

Description of Mortgage Lender

MSA Mortgage was established in Massachusetts in 2001 and was granted a mortgage broker license on November 5, 2001, and a mortgage lender license by the Division on December 3, 2001. MSA Mortgage is a retail lender engaging primarily in the origination and sale of residential mortgage loans. As of the date of examination, the Lender was licensed or authorized to conduct business in 13 states. The Lender's main office is located at 354 Main Street, Winthrop, Massachusetts, a moderate census tract. The Lender has a branch location in Revere, Massachusetts. The Lender's business focuses on the retail origination and underwriting of residential mortgage loans, offering products including conventional conforming, Federal Housing Administration (FHA), Department of Veterans Affairs (VA), and Massachusetts Housing Finance Agency (MassHousing) loans. All underwriting and major functions in the loan process are done at MSA Mortgage's main office. Approved loans are funded through established warehouse lines of credit and closed loans are sold to secondary market investors with servicing rights released. The Lender performs interim servicing functions prior to sale to the secondary market. MSA Mortgage's business development relies primarily on repeat customers and professional referrals.

During 2022 and 2023, MSA Mortgage originated or purchased 996 loans totaling approximately \$456.7 million in Massachusetts.

Demographic Information

The Division's regulation 209 CMR 54.00 requires mortgage lenders to be evaluated on their performance within the Commonwealth. Demographic data is provided below to offer contextual overviews of the economic climate along with housing and population characteristics for Massachusetts.

DEMOGRAPHIC INFORMATION OF THE COMMONWEALTH						
Demographic Characteristics	Amount	% Low	% Moderate	% Middle	% Upper	% N/A
Geographies (Census Tracts)	1,620	10.5	19.1	37.0	30.0	3.4
Population by Geography	7,029,917	9.4	19.0	37.8	32.6	1.2
Owner-Occupied Housing by Geography	1,654,892	3.1	14.6	43.1	38.9	0.3
Family Distribution by Income Level	1,673,992	22.8	16.4	19.8	41.0	0.0
Distribution of Low- and Moderate-Income Families	655,582	15.8	27.3	37.1	19.1	0.7
Median Family Income	\$114,076		Median Housing Value			\$449,342
Households Below Poverty Level	10.6%		2023 Unemployment Rate			3.4%*
2022 HUD Adjusted Median Family Income	\$120,400		2023 HUD Adjusted Median Family Income			\$127,700

Source: 2020 US Census; *Bureau of Labor Statistics annual average

Based on the 2020 United States (US) Census, the Commonwealth's population was above 7 million people with a total of 2.9 million housing units. Of the total housing units, almost 1.6

million or 56.8 percent are owner-occupied, 992,088 or 34.1 percent are rental-occupied, and 9.1 percent are vacant units.

According to the 2020 US Census, there are 2.6 million households in the Commonwealth with a median household income of \$91,426. Nearly 40 percent of households are classified as LMI. Over ten percent of the total number of households are living below the poverty level. Individuals in these categories may find it challenging to qualify for traditional mortgage loan products.

Households classified as “families” totaled slightly over 1.67 million. Of all family households, 22.8 percent were low-income, 16.4 percent were moderate-income, 19.8 percent were middle-income, and 41.0 percent were upper-income. The median family income according to the 2020 US Census data stood at \$114,076. The Department of Housing and Urban Development (HUD) adjusted median family income was \$120,400 in 2022 and increased to \$127,700 in 2023. The HUD adjusted median family income is updated yearly and takes into account inflation and other economic factors.

Massachusetts contains 1,620 census tracts. Of these, 170 or 10.5 percent are low-income; 309 or 19.1 percent are moderate-income; 599 or 37.0 percent are middle-income; 486 or 30.0 percent are upper-income; and 56 or 3.4 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 income that is more than 120 percent of the area median income.

The median housing value for Massachusetts was \$449,342 according to the 2020 US Census data. The unemployment rate for Massachusetts stood at an annual average of 3.4 percent for 2023, a decrease from the 2022 annual average rate of 3.8 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 correlate with delinquency and default rates.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

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. MSA Mortgage’s lending efforts are rated under the 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 MSA Mortgage.

MSA Mortgage’s Lending Test performance was determined to be “**Satisfactory**”.

I. Geographic Distribution

The geographic distribution of loans was reviewed to assess how well MSA Mortgage is addressing credit needs throughout Massachusetts. The following table presents, by number, MSA Mortgage’s 2022 and 2023 HMDA reportable loans in low-, moderate-, middle-, and upper-income level geographies, in comparison to the percentage of owner-occupied housing units in each of the census tract income level categories, and the 2022 and 2023 aggregate lending data (inclusive of MSA Mortgage).

Geographic Distribution of HMDA Loans by Census Tract					
Tract Income Level	Year	% of MA Owner-Occupied Housing Units	Aggregate Performance % of #	MSA Mortgage #	MSA Mortgage %
Low	2022	3.1	4.4	81	15.1
	2023		4.5	46	12.4
Moderate	2022	14.6	16.0	172	32.0
	2023		15.5	133	35.7
Middle	2022	43.1	42.0	204	38.0
	2023		40.8	146	39.2
Upper	2022	38.9	37.1	77	14.3
	2023		38.5	46	12.4
Not Available	2022	0.3	0.5	3	0.6
	2023		0.7	1	0.3
Total	2022	100.0	100.0	537	100.0
	2023		100.0	372	100.0

Source: 2020 US Census; 1/1/2022 - 12/31/2023 Lender HMDA Data, 2022 and 2023 HMDA Aggregate Data

MSA Mortgage’s geographic distribution of loans in LMI tracts was above both the aggregate lending and the demographics for 2022 and 2023. The Lender’s performance of lending in LMI tracts trended slightly upwards from 47.1 percent to 48.1 percent. MSA Mortgage’s distribution of lending is considered adequate when compared to the demographics and aggregate lending data for the time period of January 1, 2022, through December 31, 2023.

Considering that over 80 percent of the area’s owner-occupied housing units are in middle- and upper-income level census tracts, MSA Mortgage’s overall geographic distribution of residential mortgage loans reflect an adequate dispersion throughout LMI level geographies within the Commonwealth.

II. Borrower Characteristics

The distribution of loans by borrower income was reviewed to determine the extent to which the Lender is addressing the credit needs of the Commonwealth’s residents. The following table shows MSA Mortgage’s 2022 and 2023 HMDA-reportable loans to low-, moderate-, middle-, and upper-income borrowers in comparison to the percentage of total families within the Commonwealth in each respective income group, and the 2022 and 2023 aggregate lending data (inclusive of MSA Mortgage).

Distribution of HMDA Loans by Borrower Income					
Borrower Income Level	Year	% of MA Families	Aggregate Performance % of #	MSA Mortgage #	MSA Mortgage %
Low	2022	22.8	7.4	59	11.0
	2023		6.1	22	5.9
Moderate	2022	16.4	19.7	190	35.4
	2023		16.3	122	32.8
Middle	2022	19.8	23.0	178	33.1
	2023		22.1	149	40.1
Upper	2022	41.0	37.5	110	20.5
	2023		35.8	79	21.2
Not Available	2022	0.0	12.4	0	0.0
	2023		19.7	0	0.0
Total	2022	100.0	100.0	537	100.0
	2023		100.0	372	100.0

Source: 2020 US Census; 1/1/2022 - 12/31/2023 Lender HMDA Data, 2022 and 2023 HMDA Aggregate Data

Lending to low-income borrowers during 2022 was above the aggregate and below the percentage of low-income families. Lending to low-income borrowers during 2023 was below both the aggregate and the percentage of low-income families. Lending to moderate-income borrowers in 2022 and 2023 was above both the aggregate and the percentage of moderate-income families.

The Lender’s performance of lending to LMI borrowers trended downward from 46.4 percent to 38.7 percent overall. MSA Mortgage’s distribution of lending is considered adequate when compared to the demographics and aggregate lending data for the time period of January 1, 2022, through December 31, 2023.

III. Innovative or Flexible Lending Practices

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

MSA Mortgage maintains HUD-approved Non-Supervised FHA Loan Correspondent status. Although they contain imbedded insurance premiums, FHA products provide generally competitive interest rates and smaller down payments for LMI first-time homebuyers and existing homeowners. During the review period, MSA Mortgage originated 241 FHA loans totaling \$148.3 million. Of these, 65 loans benefited LMI borrowers, while 148 loans were originated in LMI level geographies.

The Lender is also a VA Automatic Approval Agent. The VA Home Loan Guarantee Program is designed specifically for the unique challenges facing service members and their families. Through VA-approved lenders like MSA Mortgage, the program offers low closing costs, with no down payment and no private mortgage insurance requirements. In addition, under certain circumstances the Service Members Civil Relief Act provides military personnel with rights and protections on issues relative to mortgage interest rates and foreclosure proceedings. During the review period, MSA Mortgage originated nine VA loans totaling \$4.4 million. Two of these loans benefited LMI borrowers, while four were originated in LMI level geographies.

MSA Mortgage offers MassHousing products. MassHousing is a self-supporting non-profit quasi-public agency that provides financing for homebuyers and homeowners, as well as for developers and owners of affordable rental housing. The agency sells bonds to fund its credit programs. In 2022 and 2023, MSA Mortgage originated 11 MassHousing loans with a total of \$2.8 million in dollar volume.

In addition, MSA Mortgage offers several additional flexible loan programs, including FNMA HomeReady and FHLMC Home Possible loans. These programs are designed to extend to consumers certain benefits and flexible credit options, to help them meet their home buying, refinance or renovation needs, and help mortgage lenders to confidently serve a market of creditworthy LMI borrowers. During the review period, the Lender originated 192 loans closed under these flexible lending programs totaling \$73 million in volume.

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.

MSA Mortgage's originations are closed in the Lender's name and sold immediately to secondary market investors with servicing rights released. As such, this review does not include an evaluation of loan mitigation and modification efforts.

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 MSA Mortgage's personnel, and individual file review.

MSA Mortgage has established an adequate record relative to fair lending policies and procedural practices. No evidence of discriminatory or illegal credit practices was identified.

Minority Application Flow

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

During 2022 and 2023, MSA Mortgage received 1,222 HMDA-reportable mortgage loan applications in Massachusetts. For these applications, the racial and ethnic identity was not specified in 47.9 percent of cases. Of the remaining applications, 52 or 4.2 percent were received from racial minority applicants, and 35 or 67.3 percent resulted in originations. For the review period, MSA Mortgage received 427 or 34.9 percent of HMDA-reportable applications from ethnic groups of Hispanic or Latino origin, and 332 or 77.7 percent were originated. This compares to the 74.2 percent overall ratio of mortgage loans originated by the Lender in Massachusetts in 2022 and the 61.7 percent approval ratio by the aggregate group in 2022. In 2023, the Lender originated 74.5 percent of applications, and the aggregate group originated 66.4 percent.

Demographic information for Massachusetts reveals the total racial minority population stood at 30.4 percent of total population as of the 2020 US Census data. Racial minorities consisted of 7.0 percent Black; 7.3 percent Asian/Pacific Islander; 0.3 percent American Indian/Alaskan Native; 8.7 percent two or more minority races; and 7.1 percent identified as Other Race. Ethnic minorities consisted of 12.6 percent Hispanic or Latino.

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

Minority Application Flow						
Race	2022 Aggregate Data	2022 MSA Mortgage		2023 Aggregate Data	2023 MSA Mortgage	
		#	%		#	%
American Indian/ Alaska Native	0.3	0	0.0	0.3	0	0.0
Asian	6.6	27	3.7	6.5	9	1.8
Black/ African American	5.8	2	0.3	5.9	8	1.6
Hawaiian/Pacific Islander	0.2	0	0.0	0.2	0	0.0
2 or more Minority	0.2	1	0.1	0.2	0	0.0

Joint Race (White/Minority)	1.7	3	0.4	1.7	2	0.4
Total Minority	14.8	33	4.5	14.8	19	3.8
White	61.0	497	68.7	57.3	356	71.3
Race Not Available	24.2	193	26.8	27.9	124	24.9
Total	100.0	723	100.0	100.0	499	100.0
Ethnicity	% of #			% of #		
Hispanic or Latino	7.4	259	35.8	7.6	162	32.5
Joint (Hisp-Lat /Non-Hisp-Lat)	1.5	4	0.5	1.5	2	0.4
Total Hispanic or Latino	8.9	263	36.3	9.1	164	32.9
Not Hispanic or Latino	67.6	286	39.6	63.8	240	48.1
Ethnicity Not Available	23.5	174	24.1	27.1	95	19.0
Total	100.0	723	100.0	100.0	499	100.0

Source: 1/1/2022 - 12/31/2023 Lender HMDA Data, 2022 & 2023 HMDA Aggregate Data

In 2022 and 2023, MSA Mortgage's performance was below the aggregate's performance for racial minority applicants. The Lender's performance for ethnic minority applicants was above both the 2022 and 2023 aggregate.

VI. Loss of Affordable Housing

This review concentrated on the suitability and sustainability of mortgage loans originated by MSA Mortgage by considering 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 or 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 the Commonwealth or a broader regional area that includes the Commonwealth.

MSA Mortgage's Service Test performance was determined to be "Satisfactory" at this time.

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.

MSA Mortgage provided adequate qualified community development services to homeowners in Massachusetts during the review period.

MSA Mortgage holds first time homebuyers seminars in the Albanian and Latin communities. Two first time homebuyer seminars were held during the examination period. The target audience included LMI individuals and LMI geographies. A loan officer speaks Albanian, Spanish, Greek and Italian. During the examination period, MSA Mortgage also provided assistance to numerous local organizations benefiting Massachusetts residents; however, the Division could not ascertain the specific benefits to LMI individuals or geographies in Massachusetts.

Management is encouraged to seek out and identify community development services it can offer in the Commonwealth that meet the definition of "community development" under the CRA regulation. Examples may include, but are not necessarily limited to, financial literacy education initiatives, homeownership promotion targeted to low- and moderate-income individuals, foreclosure prevention counseling throughout the Commonwealth, and/or technical assistance to community organizations in a leadership capacity. All such services need to be properly captured and documented in order to receive credit under the Service Test.

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.

MSA Mortgage provides adequate delivery of mortgage lender services that are accessible to geographies and individuals of different income levels in the Commonwealth. Business development relies primarily on real estate agents, attorneys, community events, and repeat customers. Applicants can apply for a mortgage loan via its website, over the phone, or at a

physical branch. The Lender currently has two locations in the Commonwealth. The Winthrop corporate office is in a moderate census tract. The Lender offers a variety of mortgage products such as FHA, VA, Freddie Mac Home Possible, Fannie Mae Home Ready, and MassHousing. The Lender has online resources featuring information on financial topics and the mortgage process in general. MSA Mortgage provides interim servicing and sells loans with servicing rights released.

As described above, lending practices and products do not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 255E, Section 8, and the Division's regulation 209 CMR 54.00, require all mortgage lenders to take the following actions within 30 business days of receipt of the CRA evaluation:

- 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. In connection with this, 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.