

PUBLIC DISCLOSURE

JUNE 17, 2024

**MORTGAGE LENDER COMMUNITY INVESTMENT
PERFORMANCE EVALUATION**

**WILLIAM RAVEIS MORTGAGE, LLC
MC2630**

**7 TRAP FALLS ROAD
SHELTON, CT 06484**

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

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

GENERAL INFORMATION

This document is an evaluation of the Mortgage Lender Community Investment (CRA) performance of **William Raveis Mortgage, LLC (William Raveis Mortgage or Lender)** 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 **June 17, 2024**.

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 William Raveis 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 William Raveis Mortgage's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered William Raveis 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.
- William Raveis 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: “Needs to Improve”

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

PERFORMANCE CONTEXT

Description of Mortgage Lender

William Raveis Mortgage was organized in Delaware on November 19, 2004. The Lender registered as a foreign limited liability company in Massachusetts on December 8, 2004. The Division granted the Lender a mortgage lender and mortgage broker license on February 13, 2004. William Raveis Mortgage is engaged in the underwriting, funding, and sale of residential mortgages. The Lender's corporate office is located at 7 Trap Falls Road Shelton, Connecticut. At the time of examination, William Raveis Mortgage held licenses in 10 states and maintained 19 Massachusetts branch locations.

William Raveis Mortgage offers a variety of mortgage loan products to meet the needs of the Commonwealth's borrowers. William Raveis Mortgage is an approved lender for the Federal National Mortgage Association (FNMA) HomeReady, the Federal Home Loan Mortgage Corporation (FHLMC) HomePossible, the Federal Housing Administration (FHA), the Massachusetts Housing Finance Agency (MassHousing), and the Department of Veterans Affairs (VA), in addition to offering conventional loan products.

William Raveis Mortgage's business development relies primarily on referrals and repeat business. During 2022 and 2023, William Raveis Mortgage originated 304 loans totaling approximately \$133.7 million in Massachusetts. Originated loans are closed in the Lender's name and sold immediately to secondary market investors with servicing rights released.

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 data, 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 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 William Raveis Mortgage.

William Raveis Mortgage’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 William Raveis Mortgage is addressing credit needs throughout Massachusetts. The following table presents, by number, 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 William Raveis Mortgage).

Geographic Distribution of HMDA Loans by Census Tract					
Tract Income Level	Year	% of MA Owner-Occupied Housing Units	Aggregate Performance % of #	William Raveis Mortgage #	William Raveis Mortgage %
Low	2022	3.1	4.4	3	1.6
	2023		4.5	1	0.8
Moderate	2022	14.6	16.0	22	11.9
	2023		15.5	15	12.6
Middle	2022	43.1	42.0	83	44.9
	2023		40.8	68	57.2
Upper	2022	38.9	37.1	77	41.6
	2023		38.5	35	29.4
Not Available	2022	0.3	0.5	0	0.0
	2023		0.7	0	0.0
Total	2022	100.0	100.0	185	100.00
	2023		100.0	119	100.00

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

Lending to low-income tracts was below both the percentage of owner-occupied housing units and the aggregate for 2022 and 2023. Lending to moderate-income tracts was below both the percentage of owner-occupied housing units and the aggregate for 2022 and 2023. The Lender’s performance of lending in LMI tracts decreased from 13.5 percent in 2022 to 13.4 percent in 2023. William Raveis Mortgage’s geographic distribution of residential mortgages is adequate.

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 William Raveis 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 William Raveis Mortgage).

Distribution of HMDA Loans by Borrower Income					
Borrower Income Level	Year	% of MA Families	Aggregate Performance % of #	William Raveis Mortgage #	William Raveis Mortgage %
Low	2022	22.8	7.4	8	4.3
	2023		6.1	3	2.5
Moderate	2022	16.4	19.7	42	22.7
	2023		16.3	26	21.9
Middle	2022	19.8	23.0	50	27.0
	2023		22.1	37	31.1
Upper	2022	41.0	37.5	85	46.0
	2023		35.8	53	44.5
Not Available	2022	0.0	12.4	0	0.0
	2023		19.7	0	0.0
Total	2022	100.0	100.0	185	100.00
	2023		100.0	119	100.00

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

Lending to low-income borrowers was below both the percentage of families and the aggregate for 2022 and 2023. Lending to moderate-income borrowers was above both the percentage of families and the aggregate for 2022 and 2023. The Lender’s performance among LMI borrower decreased from 2022 to 2023 from 27.0 percent to 24.4 percent.

According to the 2020 census data, 10 percent of the families within the Commonwealth have incomes below the poverty threshold; and would most likely not qualify for home ownership given high housing costs. The Lender’s overall lending performance to LMI borrowers is adequate at this time.

III. Innovative or Flexible Lending Practices

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

William Raveis 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, William Raveis Mortgage originated 14 FHA loans totaling

\$6.3 million. Of these loans, 4 loans benefited low- to moderate-income borrowers, while 8 loans were originated in low- and moderate-income level geographies.

William Raveis Mortgage also offers MassHousing products. MassHousing is a self-supporting non-profit public agency that provides financing for LMI 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, William Raveis Mortgage originated 5 MassHousing loans with a total of \$1.1 million in dollar volume.

In addition, William Raveis 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 low- to moderate-income borrowers. During the review period, the Lender closed 19 Massachusetts loans under these flexible lending programs totaling approximately \$5.7 million.

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 William Raveis Mortgage does not directly service mortgage loans, it would not work with delinquent borrowers; therefore, 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 William Raveis Mortgage's personnel, and individual file review.

William Raveis 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, William Raveis Mortgage received 430 HMDA-reportable mortgage loan applications from within Massachusetts. For these applications, the race was not specified in 12.8 percent of cases and ethnic identity was not specified in 11.9 percent of cases. Of the remaining applications, 51 or 11.9 percent were received from racial minority applicants, and 25 or 49.0 percent resulted in originations. For the review period, William Raveis Mortgage received 29 or 6.7 percent of HMDA-reportable applications from ethnic groups of Hispanic or Latino origin, and 23 or 79.3 percent were originated.

This compares to the 72.2 percent overall ratio of mortgage loans originated by the Lender in Massachusetts in 2022 and the 58.3 percent approval ratio by the aggregate group in 2022. In 2023, the Lender originated 68.4 percent of applications in Massachusetts and the aggregate group originated 53.2 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 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.

Minority Application Flow						
Race	2022 Aggregate Data	2022 Lender		2023 Aggregate Data	2023 Lender	
	% of #	#	%	% of #	#	%
American Indian/ Alaska Native	0.3	0	0.0	0.3	1	0.6
Asian	6.6	11	4.3	6.5	8	4.6
Black/ African American	5.8	11	4.3	5.9	7	4.0
Hawaiian/Pacific Islander	0.2	1	0.4	0.2	0	0.0
2 or more Minority	0.2	0	0.0	0.2	0	0.0
Joint Race (White/Minority)	1.7	6	2.3	1.7	6	3.4
Total Minority	14.8	29	11.3	14.8	22	12.6
White	61.0	200	78.1	57.3	124	71.3
Race Not Available	24.2	27	10.6	27.9	28	16.1
Total	100.0	256	100.00	100.0	174	100.0
Ethnicity	% of #			% of #	% of #	
Hispanic or Latino	7.4	10	3.9	7.6	4	2.3
Joint (Hisp-Lat /Non-Hisp-Lat)	1.5	9	3.5	1.5	6	3.5
Total Hispanic or Latino	8.9	19	7.4	9.1	10	5.8
Not Hispanic or Latino	67.6	212	82.8	63.8	138	79.3
Ethnicity Not Available	23.5	25	9.8	27.1	26	14.9
Total	100.0	256	100.0	100.0	174	100.0

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

In 2022 and 2023, William Raveis Mortgage’s performance was below the aggregate’s performance for racial minority applicants and below ethnic minority applicants of Hispanic origin. The Lender’s performance increased from 2022 to 2023 for racial minority applicants from 11.3 percent to 12.6 percent. The Lender’s performance decreased for ethnic minority applicants from 7.4 percent to 5.8 percent.

VI. Loss of Affordable Housing

This review concentrated on the suitability and sustainability of mortgage loans originated by William Raveis 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.

William Raveis Mortgage's Service Test performance was determined to be **"Needs to Improve"** 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.

In 2023, William Raveis Mortgage participated in two community development events within Massachusetts. The homebuyers' seminars were provided in person, and the presentation covered the home buying process. In 2022, the Lender did not participate in community development initiatives within Massachusetts.

Management is strongly encouraged to expand its commitment to community outreach activities that meet the definition of community development under the aforementioned regulation. Examples may include but are not necessarily limited to, financial literacy education initiatives, homeownership promotion targeted to LMI individuals, foreclosure prevention counseling throughout the Commonwealth, and/or technical assistance to community organizations in a leadership capacity.

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.

William Raveis Mortgage provides an adequate 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 such as FNMA HomeReady, FHLMC HomePossible, FHA, MassHousing, and VA loans. Applicants can apply to William Raveis Mortgage for a mortgage in person, over the telephone, or through the online mortgage application portal. The Lender employs a bilingual loan officer, who can take applications in Spanish. William Raveis Mortgage relies on referrals and repeat customers to derive business. During the examination period, originated loans were sold on the secondary market 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.