

PUBLIC DISCLOSURE

February 2, 2010

**MORTGAGE LENDER COMMUNITY INVESTMENT
PERFORMANCE EVALUATION**

**EMBRACE HOME LOANS, INC.
MC 0195**

**25 ENTERPRISE CENTER
NEWPORT, RI 02842**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 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

Massachusetts General Laws chapter 255E, section 8 and the Division of Banks' ("Division") regulation 209 CMR 54.00, Mortgage Lender Community Investment ("MLCI"), require the Division to use its authority, when examining mortgage lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess a 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 MLCI performance of **Embrace Home Loans, Inc. (or "Embrace")** prepared by the Division, the mortgage lender's supervisory agency, as of **February 2, 2010**.

SCOPE OF EXAMINATION

An onsite evaluation was conducted using examination procedures, as defined by MLCI. A review of the Division's records, as well as the mortgage lender's public MLCI file, did not reveal any complaints relating to Embrace's MLCI performance.

The MLCI examination included a comprehensive review and analysis, as applicable, of Embrace'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.

MLCI examination procedures were used to evaluate Embrace's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered Embrace's lending and community development activities for the period of January 2007 through December 2008, unless otherwise noted. 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 five criteria: geographic distribution of loans, lending to borrowers of different incomes, innovative and flexible lending practices, fair lending, and loss of affordable housing.

The MLCI evaluation includes an analysis of the mortgage loans reportable under the Home Mortgage Disclosure Act ("HMDA") for 2007 and 2008. The residential loan data was obtained from the Loan Application Registers ("LAR") maintained by Embrace pursuant to HMDA.

Home mortgage lending for 2007 and 2008 is presented in the following tables: geographic distribution, lending to borrowers of different incomes and the minority application flow. Comparative analysis is provided for the mortgage lender's 2008 lending performance as this 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 Massachusetts.

In addition to gathering and evaluating statistical information relative to a mortgage lender's loan volume, the MLCI 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 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 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 MLCI RATING: This Mortgage Lender is rated "Satisfactory"

This "Satisfactory" rating is based upon:

- The geographic distribution of the lender's loans reflects a reasonable dispersion in low- and moderate-income census tracts.
- The distribution of borrowers reflects, given the demographics of Massachusetts, a very good record of serving the credit needs among individuals of different income levels, include low- and moderate-income.
- The mortgage lender offers a limited number of flexible lending programs to the customers it serves.
- The mortgage lender has a good number of Community Development services.
- Fair lending policies and practices are considered reasonable. No complaints were received during the evaluation period.

PERFORMANCE CONTEXT

Description of Mortgage Lender

Embrace Home Loans, Inc. has been in operation since 1983, when it was founded by owner Dennis F. Hardiman, Chief Executive Officer. The company was first established under the name of Advanced Financial Services, Inc. until October 26, 2009 when the name changed to Embrace Home Loans. Embrace has been licensed by the Division since January 2, 1992 and operates in Massachusetts as both a lender and/or broker capacity in 44 states and the District of Columbia. The main office is located at 25 Enterprise Center in Middletown, Rhode Island with an additional office located on Jordan Street in East Providence, RI. In December 2009, Embrace acquired Mason Dixon Funding, a Rockville, Maryland based mortgage lender. With the acquisition, Embrace Home Loans, Inc. now employs over 500 employees, including 60 licensed Massachusetts loan originators and 25 underwriters. Embrace generates a substantial amount of business through marketing efforts. Direct mail advertisements are generated and sent to consumers throughout Massachusetts. Consumers respond to these direct mail advertisements by contacting the call center directly at Embrace. Embrace's primary focus is on first mortgage refinance lending, using its own warehouse line of credit to fund loans. Embrace is a direct lender for Fannie Mae and Freddie Mac. Also, they are a HUD-approved lender for FHA insured mortgages.

Demographic Information

The MLCI 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.

DEMOGRAPHIC INFORMATION*						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A
Geographies (Census Tracts)	1,361	8.4	21.7	46.1	23.4	0.4
Population by Geography	6,349,097	5.8	20.5	47.6	26.0	0.1
Owner-Occupied Housing by Geography	1,508,248	1.6	12.8	54.0	31.6	0.0
Family Distribution by Income Level	1,587,537	20.5	17.7	22.3	39.5	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	606,419	10.0	29.4	46.2	14.4	0.0
Median Family Income		\$65,318	Median Housing Value Unemployment Rate		\$209,519	
2007 HUD Adjusted Median Family Income		\$76,075				
Households Below Poverty Level		9.8%			9.4%**	

*Source: PCI Corporation Inc., CRA Wiz, Data Source: 2000 US Census

**as of 12/09

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.

There are 2.4 million households in the Commonwealth with a median household income of \$53,686 according to the 2000 Census. Over 40 percent of the households are classified as low and moderate-income. In addition, 9.8 percent of the total numbers 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” total slightly over 1.5 million. Of all family households, 20.5 percent are low income, 17.7 percent are moderate income, 23.3 percent are middle income, and 39.5 percent are upper income. The median family income according to the 2000 census was \$65,318. The Housing and Urban Development (“HUD”) adjusted median family income is \$76,075. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contains 1,361 census tracts. Of these, 114 or 8.4 percent are low-income; 295 or 21.7 percent are moderate-income; 628 or 46.1 percent are middle-income; 319 or 23.4 percent are upper-income; and 5 or 0.4 are NA or have no income designation. The five census tracts with no income designation are located in Bridgewater (a correctional facility), Boston (islands in Boston Harbor), Amherst (University of Massachusetts campus), Harvard (Fort Devens), and Grafton (Tufts Veterinary School). These census tracts contain no housing units and will not be included in this evaluation since they provide no lending opportunities.

The median housing value for Massachusetts was \$209,519 according to the 2000 Census. Recent figures from the Warren Group, publishers of the Banker and Tradesman, show that the median price for a single-family dropped 11.6 percent from \$345,000 in 2007 to \$305,000 in 2008, a five-year low. Fluctuating housing values have a direct effect on the types of financial products adequate for homeowners and property buyers.

The unemployment rate for the Massachusetts as of December 2009 was 9.4 percent. This represents an increase from the end of 2008 when the unemployment rate stood at 6.4 percent, up from the 4.5 percent at the end of 2007. 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

Embrace's Lending Test performance was rated an overall "Satisfactory." Embrace's lending efforts are rated under the five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, 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 Embrace Home Loans.

I. Geographic Distribution

The geographic distribution of loans was reviewed to assess how Embrace is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income census tracts.

The mortgage lender's geographic distribution of loans reflects a reasonable dispersion of loans in the Commonwealth.

Embrace's distribution of lending in the Commonwealth when compared to the demographics and aggregate lending data was reasonable. The dispersion of lending in the Commonwealth includes low- and moderate-income geographies. The table below shows the distribution of HMDA-reportable loans by census tract income.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner-Occupied Housing Units	Embrace 2007		Embrace 2008		Aggregate Lending Data (% of #) 2008	Embrace Total	
		#	%	#	%		#	%
Low	1.6	3	1.6	3	1.8	2.2	6	1.7
Moderate	12.8	40	21.4	28	16.6	14.2	68	19.1
Middle	54.0	108	57.7	102	60.3	51.9	210	59.0
Upper	31.6	36	19.3	36	21.3	31.7	72	20.2
Total	100.0	187	100.0	169	100.0	100.0	356	100.0

Source: 2007 and 2008 HMDA Data and 2000 U.S. Census

As reflected in the table above, the highest concentration of the residential loans was originated in middle-income census tracts. This is expected given that 54.0 percent of the area's owner-occupied housing units are in the middle-income census tracts. Embrace's lending in low-income tracts was slightly below the aggregate's lending in those tracts in 2008. Embrace originated 1.8 percent of its loans in low-income tracts compared to the aggregate which originated 2.2 percent. Embrace's lending in moderate-income census tracts at 16.6 percent was above the aggregate at 14.2 percent.

When comparing Embrace's 2007 lending volume to the 2008 lending, Embrace has seen a slight decrease in the volume of total originations from 187 in 2007 to 169 in 2008. There was a slight increase in the percentage of lending in low-income tracts but a decrease in the percentage of lending in moderate-income tracts. Overall, the geographic distribution of residential loans reflects a reasonable dispersion throughout the Commonwealth.

II. 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. Embrace has a very good record of serving the mortgage credit needs of borrowers of different income levels based on the areas' demographics and a comparison to aggregate lending data in Massachusetts.

The following table shows, by number, HMDA reportable loans to low-, moderate-, middle- and upper-income borrowers in comparison to the aggregate and the percentage of total families within the Commonwealth in each respective income group.

Distribution of HMDA Loans by Borrower Income								
Census Tract Income Level	% Families	Embrace 2007		Embrace 2008		Aggregate Lending Data (% of #) 2008	Embrace Total	
		#	%	#	%		#	%
Low	20.5	33	17.7	37	21.9	5.0	70	19.7
Moderate	17.7	48	25.7	49	29.0	16.9	97	27.2
Middle	22.3	56	29.9	39	23.1	23.8	95	26.7
Upper	39.5	38	20.3	44	26.0	37.9	82	23.0
NA*	0.0	12	6.4	0	0.0	16.4	12	3.4
Total	100.0	187	100.0	169	100.0	100.0	356	100.0

*Source: 2007 and 2008 HMDA Data and 2000 U.S. Census, * Income Not Available*

As shown in the above table, Embrace's 2008 lending volume to low- and moderate-income borrowers exceeded that of the aggregate. The percentage of lending to low- and moderate-income borrowers is very good given the area's demographics. Lending to low-income borrowers at 21.9 percent exceeds the aggregate's lending to low-income borrowers at 5.0 percent. Lending to moderate-income borrowers at 29.0 percent was also exceeded the aggregate lending at 16.9 percent.

Embrace's lending volume in 2008 decreased when compared to that of 2007. However, the mortgage lender's lending performance to low- and moderate-income borrowers increased from 2007, demonstrating strong performance in serving the mortgage credit needs of borrowers of different income levels.

III. *Innovative or Flexible Lending Practices*

Embrace offers a limited number of innovative or 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.

The mortgage lender is directly endorsed by The US Department of Housing and Urban Development to underwrite Federal Housing Administration insured mortgages. The FHA products offered by Embrace provide competitive interest rates and smaller down payments for low- and moderate-income first-time homebuyers and existing homeowners.

Embrace began offering FHA loan programs to consumers in 2008 and has seen an increase in FHA production during 2009. In 2008, Embrace closed 42 FHA loans totaling \$9,077,000 in dollar volume, which represented 33.0 percent of loan production in that year. Embrace originated 53 FHA loans totaling \$12,550,000 in dollar volume which represented 53.0 percent of loan production during the first 2 quarters of 2009.

IV. *Fair Lending*

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-103 and Regulatory Bulletin 5.3-101. The mortgage 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.

Embrace's compliance with the laws relating to discrimination and other illegal credit practices was reviewed. The fair lending review was conducted in accordance with Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. No evidence of discriminatory or other illegal credit practices were identified.

Embrace has established an adequate record relative to fair lending policies and practices. The Lender has a written Fair Lending Policy Statement. Included in this policy are the mortgage lender's efforts to eliminate discrimination in all aspects of lending, provide fair and equal consideration to every applicant, as well as to provide guidance to Embrace's employees on how to comply with fair lending policies and procedures.

Embrace provides fair lending training to all employees at least annually along with other applicable compliance training. These courses are provided by Training Pro. All employees are provided with training appropriate to their job description and their responsibilities in fair lending issues. This includes information regarding both technical requirements which come into play, as well as the more substantive and subtle issues related to unintentional discrimination and quality of assistance.

Embrace produces a significant amount of advertising on a yearly basis. The Lender's advertisements are produced in compliance with applicable laws and regulations.

Upon conclusion of the Fair Lending review, the Division's examination found no evidence of disparate treatment.

MINORITY APPLICATION FLOW

For 2007 and 2008, Embrace received 5,323 HMDA reportable loan applications from within the Commonwealth of Massachusetts. Of these applications, 398 or 7.5 percent were received from minority applicants, of which 41 or 10.3 percent resulted in originations. Embrace received 381 or 7.2 percent of HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area of which 10 or 2.6 percent were originated. It is important to note that non-originated applications would include not only denials but also withdrawals (which represented most of the non-originated and were evenly split) and, of a lesser proportion, approved not accepted and closed for incompleteness.

The minority population in the Commonwealth is at 18.1 percent. Embrace's level of lending was compared with that of the aggregate's lending performance levels for the most recent year data was available, the year 2008, and the area's demographics. In 2008, the lender received a total of 6.1 percent of its applications from racial minorities which was slightly below the aggregate at 8.4 percent. The lender also received 6.3 percent of its applications from ethnic minorities, exceeding the aggregate at 4.7 percent.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to the 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	Embrace 2007		Embrace 2008		2008 Aggregate Data		Embrace Total	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	6	0.2	0	0.0	690	0.2	6	0.1
<i>Asian</i>	57	2.0	32	1.3	11,773	3.5	89	1.7
<i>Black/ African American</i>	150	5.3	107	4.3	11,645	3.5	257	4.8
<i>Hawaiian/Pac Isl.</i>	8	0.3	3	0.1	638	0.2	11	0.2
<i>2 or more Minority</i>	1	0.1	1	0.1	279	0.1	2	0.1
<i>Joint Race (White/Minority)</i>	24	0.8	9	0.3	3,192	0.9	33	0.6
Total Minority	246	8.7	152	6.1	28,217	8.4	398	7.5
<i>White</i>	2,126	75.0	1,927	77.5	232,476	69.6	4,053	76.1
<i>Race Not Available</i>	464	16.3	408	16.4	73,500	22.0	872	16.4
Total	2,836	100.0	2,487	100.0	334,193	100.0	5,323	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	198	7.0	137	5.5	13,116	3.9	335	6.3
<i>Not Hispanic or Latino</i>	2,264	79.8	1,963	78.9	244,602	73.2	4,227	79.4
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	27	1.0	19	0.8	2,625	0.8	46	0.9
<i>Ethnicity Not Available</i>	347	12.2	368	14.8	73,850	22.1	715	13.4
Total	2,836	100.0	2,487	100.0	334,193	100.0	5,323	100.0

Source: PCI Corporation, CRA Wiz, Data Source: 2000 U.S. Census Data

Embrace's 2008 performance was below the aggregate's performance for racial minority applicants but above the aggregate for ethnic minority applicants. Embrace received 6.1 percent of their applications from racial minorities while the aggregate received 8.4 percent. The mortgage lender also received 6.3 percent from ethnic minorities while the aggregate received 4.7 percent. Embrace's total application volume decreased compared to 2007, as well as their applications from racial and ethnic minorities.

Embrace's minority application flow is reasonable when compared to the aggregate's lending performance levels and the demographics of Massachusetts.

V. *Loss of Affordable Housing*

This review concentrated on the suitability and sustainability of mortgage loans originated by Embrace by taking into account delinquency and default rates of the mortgage 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. Additionally, individual mortgage loans were tracked for their status through local Registries of Deeds and other available public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as 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. Further, delinquency rates were found to be consistent with industry averages.

SERVICE TEST

The service test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products; the extent and innovativeness of its community development services; and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

Embrace's Service Test performance was determined to be adequate and rated "Satisfactory" at this time.

Mortgage Lending Services

The Commissioner evaluates the availability and effectiveness of a mortgage lender's systems for delivering mortgage lending services, pursuant to the following criteria:

- (a) the availability and effectiveness of systems for delivering mortgage lending services (e.g., Internet, telephone solicitation, direct mail) in low- and moderate-income geographies and to low- and moderate-income individuals, including, to the extent applicable, the current distribution of the mortgage lender's branches among low-, moderate-, middle-, and upper-income geographies;
- (b) 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; and
- (c) the range of services provided in low-, moderate-, middle-, and upper- income geographies and the degree to which the services are tailored to meet the needs of those geographies.

Embrace is a Rhode Island based company and has no branch locations in Massachusetts; however through Embrace's marketing efforts their services are available to low-, moderate-, middle- and upper-income individuals and geographies. The majority of business is from direct marketing advertisements that are sent to consumers throughout Massachusetts. Prospective applicants can call Embrace's call center and immediately be connected to a Massachusetts licensed loan originator. In addition to the mail advertisements generating loan applications, Embrace is also accessible via the internet, where customer can request a loan officer to call them back via the company website. Embrace's call center is open Monday through Friday 9:00am until 9:00pm and Saturdays 9:00am to noon and does have Spanish and Portuguese speaking loan officers available for bilingual applicants.

As Embrace does not routinely service mortgage loans, it would not work directly with delinquent borrowers. Therefore, this review would not include an evaluation of loan mitigation and modification efforts as the mortgage lender would not be accountable for such action. However, 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.

Community Development Services

Community development means:

- (a) Mortgage products and other efforts to assist low- and moderate-income individuals to acquire or remain in affordable housing;
- (b) Community services targeted to low- and moderate-income individuals;
- (c) Activities that revitalize or stabilize -
 - (1) Low- or moderate-income geographies;
 - (2) Designated disaster areas; or
 - (3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency; or
 - (4) Any other such area as determined by the Commissioner based on -
 - (A) Rates of poverty, unemployment, and population loss; or
 - (B) Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community and economic development needs, including needs of low- and moderate-income individuals.

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.

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 Embrace made \$4.0 million in donations. Of those donations, \$37,817 was donated to organizations that meet the definition of Community Development. An example of Embrace's Community Development contributions follows:

In September 2007, Embrace donated over 2,000 backpacks filled with school supplies to local schools and charities in Massachusetts. Embrace believes in showing their support for student's education when they are young.

Through 2007 and 2008, Embrace Home Loans donated to Wide Horizons for Children. Wide Horizons for Children is the largest private, non-profit adoption and child welfare service agency in New England, and among the largest in the US. Since 1974 they have placed over 10,000 children with loving permanent families.

In addition, on October 26, 2009, Embrace Home Loans donated materials to the city of Fall River for a park clean-up and coordinated an outreach event with 280 of their employees volunteering to clean up five of the city's parks. These parks, located in low- and moderate-income areas, received some much needed attention.

In December 2009, Embrace donated to the Salvation Army. The Salvation Army is a charitable and religious organization committed to caring for the poor and homeless. Embrace's donation was a matching contribution to their employee's individual donations.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

- 1) Make its most current MLCI 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 its supervisory agency, may not be altered or abridged in any manner. The Mortgage Lender is encouraged to include its response to the evaluation in its MLCI 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.