

**PUBLIC DISCLOSURE**

**December 1, 2009**

**MORTGAGE LENDER COMMUNITY INVESTMENT  
PERFORMANCE EVALUATION**

**ADVANCED MORTGAGE SERVICES, LLC  
MC3702 et al**

**335 WASHINGTON STREET  
NORWELL, MA 02061**

**DIVISION OF BANKS  
ONE SOUTH STATION  
BOSTON, MA 02110**

<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

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 the mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. Upon conclusion of such examination, the Division must prepare a written evaluation of the mortgage lender's record of meeting the credit needs of the Commonwealth.

This document is an evaluation of the MLCI performance of **Advanced Mortgage Services, LLC ("Advanced Mortgage")** prepared by the Division, the mortgage lender's supervisory agency, as of **December 1, 2009**.

### 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 Advanced Mortgage's MLCI performance.

The MLCI examination included a comprehensive review and analysis, as applicable, of Advanced Mortgage'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 Advanced Mortgage's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered Advanced Mortgage's lending and community development activities for the period of January 2007 through December 2008. 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 income, 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 Advanced Mortgage pursuant to HMDA.

Home mortgage lending for 2007 and 2008 is presented in the geographic distribution, lending to borrowers of different incomes and the Minority Application Flow tables. Comparative analysis is provided for the mortgage lender's lending performance for the year 2008 because 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. Home mortgage lending data for 2007 is referenced in the narrative to illustrate trends in Advanced Mortgage's lending data.

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"**

- The geographic distribution of the lender's loans reflects an adequate dispersion in low and moderate-income census tracts.
- The distribution of borrowers reflects, given the demographics of Massachusetts, an adequate record of serving the credit needs among individuals of different income levels, including low- and moderate-income.
- Advanced Mortgage offers a variety of 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 has a minimal number of Community Development services.
- Fair lending policies and practices are considered reasonable.

## **PERFORMANCE CONTEXT**

### **Description of Mortgage Lender**

Advanced Mortgage was established under the laws of the Commonwealth of Massachusetts as a limited liability company on January 23, 2002 and amended on January 29, 2002. Advanced Mortgage was licensed by the Division as a mortgage lender and broker on December 21, 2004. The principal office is located at 335 Washington Street in Norwell, Massachusetts with four additional branches located in Plymouth, Marshfield and two locations in Braintree.

Advanced Mortgage is owned by President Brian Comer and Senior Vice President Michele Comer. Both owners are actively involved in the business operations.

Advanced Mortgage is currently providing a variety of mortgage products including home purchase loans, refinances, home equity, construction loans and reverse mortgage loans as a broker. Advanced Mortgage is a sponsored lender for the Federal Housing Administration. The lender offers a variety of financing options to meet the needs of the Commonwealth's borrowers: fixed rate mortgages with terms of 10, 15, 20, 25 and 30 years; adjustable rate mortgages with adjustment periods of as little as one year and as long as 10 years until the first change; home equity lines of credit; and FHA and VA loans.

All underwriting is centralized at Advanced Mortgage's main office. Approved loans are funded through a warehouse line of credit and then sold to GMAC or Bank of America, or are table-funded and immediately sold to predetermined investors. Business is generated through repeat customers, referrals and radio, print and television advertisement to facilitate loan originations.

### **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 the economic climate along with housing and population characteristics for the Commonwealth of Massachusetts.

<b>DEMOGRAPHIC INFORMATION*</b>						
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		\$209,519	
2007 HUD Adjusted Median Family Income		\$76,075	Unemployment Rate		4.6%	
Households Below Poverty Level		9.8%				

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

Based on 2000 Census data, the Commonwealth of Massachusetts has a total population of just over 6.3 million people and a total of 2.6 million housing units. Of the total housing units, 1.5 million or 57.5 percent are owner-occupied, 935,332 or 35.7 percent are rental-occupied, and 6.8 percent are vacant units.

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 these 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 events.

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 provides no lending opportunities.

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

The unemployment rate for Massachusetts as of February 2009 was 7.7 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 correlates to delinquency and default rates.

The unemployment rate for Massachusetts as of October 2009 was 8.9 percent. This represents an increase from the beginning of 2009 when the unemployment rate stood at 7.4 percent.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

Advanced Mortgage's Lending Test performance was rated an overall "Satisfactory". The mortgage lender's lending efforts are rated under five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of Advanced Mortgage Services, LLC.

#### *I. Geographic Distribution*

The geographic distribution of loans was reviewed to assess how well Advanced Mortgage 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 an adequate distribution of loans in the Commonwealth.

The following table presents the Advanced Mortgage's HMDA reportable loans as well as the 2008 aggregate data (exclusive of Advanced Mortgage). In addition, the table also reflects the percentage of owner-occupied housing units in each of the Census tract income categories.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner-Occupied Housing Units	Advanced Mortgage 2007		Advanced Mortgage 2008		Aggregate Lending Data (% of #) 2008	Advanced Mortgage Total	
		#	%	#	%		#	%
Low	1.6	3	2.3	1	0.6	2.2	4	1.4
Moderate	12.8	12	9.3	13	7.9	14.2	25	8.5
Middle	54.0	69	53.5	98	59.8	51.9	167	57.0
Upper	31.6	45	34.9	52	31.7	31.7	97	33.1
<b>Total</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>	<b>100.0</b>	<b>293</b>	<b>100.0</b>

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

As reflected in the above table, the highest concentration of residential loans was originated in the middle- and upper income census tracts. This is expected given that 85.6 percent of the area's owner-occupied housing units are in the middle and upper income census tracts. Advanced Mortgage's main office and branch office are located in moderate- and upper-income census tracts.

Of the 164 loans originated in 2008, 7.9 percent of the total loans were in the moderate-income geographies. This percentage is below the percentage of the area's owner occupied housing units in moderate income geographies at 12.8 percent and is also below the aggregate percentage at 14.2 percent. Lending to low-income geographies is below the aggregate lenders at 0.6 percent and is also below the percentage of owner occupied housing units in low income geographies.

The level of lending in low-income census tracts is equivalent to the percentage of owner-occupied housing in those census tracts; the lending in moderate-income census tracts remained comparable to the percentage of owner-occupied housing units in that census tract designation. Because of the relatively small number of loans overall, a small change in Advanced Mortgage's lending distribution has a relatively large effect on the percentages. Overall, because of the limited percentage of owner-occupied housing units in the low- and moderate-income census tracts and the high level of competition, 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.

Advanced Mortgage achieved an adequate penetration of loans to borrowers of different income levels based on the area's 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								
Median Family Income Level	% Families	Lender 2007		Lender 2008		Aggregate Lending Data (% of #) 2008	Lender Total	
		#	%	#	%		#	%
<b>Low</b>	20.5	3	2.3	7	4.3	5.0	10	3.4
<b>Moderate</b>	17.7	17	13.2	40	24.4	16.9	57	19.5
<b>Middle</b>	22.3	33	25.6	38	23.2	23.8	71	24.2
<b>Upper</b>	39.5	68	52.7	73	44.5	37.9	141	48.1
<b>NA*</b>	0.0	8	6.2	6	3.7	16.4	14	4.8
<b>Total</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>	<b>100.0</b>	<b>293</b>	<b>100.0</b>

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

Lending to moderate-income borrowers, at an overall 19.5 percent was above the percentage of moderate-income families at 17.7 percent. The above table also indicates that the Lender exceeded the aggregate in lending to moderate-income borrowers in 2008.

In comparison to the aggregate lending in 2008, Advanced Mortgage was slightly below the aggregate in lending to low-income borrowers at 4.3 percent and below the percentage of low-income families at 20.5 percent. However, low-income families include those below the poverty level, currently at 9.8 percent of total families and almost half of all low-income families. Considering the high housing costs throughout Massachusetts, the number of low-income borrowers with the financial ability to qualify for residential loans is limited.

Also shown in the above table, upper-income borrowers accounted for the highest proportion of total loans, with 44.5 percent originated in 2008 by Advanced Mortgage. The proportion of total loans to middle- and upper-income borrowers exceeded the percentage of families in those income categories. The percentage of lending to middle- and upper-income borrowers is fairly consistent with the area's demographics.

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

Advanced Mortgage offers a number of 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.

Advanced Mortgage offers the Mass Housing products, My Community and the Mass Advantage Program along with mortgage insurance through Mass Housing, which is the MI-Plus program.

The Mass Advantage Program features fixed interest rates below the conventional market, flexible underwriting criteria, low fees and discounted interest rates for low-income borrowers and first time homebuyers. Further, the My Community loan program through Mass Housing offers loan limits as high as \$417,000 with the borrower's income limit up to \$110,700, with no down payment required, and a 30 year fixed rate loan.

The mortgage insurance product known as the MI-Plus product through Mass Housing offers customers a predictable monthly payment which is better for buyers than a second mortgage which often carries high rates that increase. Insurance through a state agency like Mass Housing, pays monthly mortgage costs of up to \$2,000, for up to six months, during the first 10 years of the loan if the borrower becomes unemployed.

Advanced Mortgage is a sponsored lender for the Federal Housing Administration. The FHA products offered by Advanced Mortgage provide competitive interest rates and smaller down payments for low and moderate income first time homebuyers and existing homeowners.

In 2007, FHA loans represented 11.4 percent of Advanced Mortgage's total loan production in that year. In 2008, there was a significant increase in originating FHA loans which represented 32.1 percent of total loan production that year.

### ***IV. Fair Lending***

The Division reviews 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.

Advanced Mortgage has established an adequate record relative to fair lending policies and practices. The lender has written policies and procedures outlining the procedural and operational steps taken to prevent disparate treatment.

Advanced Mortgage participates in several trainings throughout the year. Staff attended Fannie Mae's training for Home Valuation Code of Conduct (HVCC). AllRegs Academy also presented a course called Preparing for the Red Flags Rule.

An independent audit company conducts quality control audits on 10% of Advanced Mortgage loan files. Further quality control is conducted with another selected outside audit firm, which conducts periodic audits that include a sampling of files checked for accuracy with the HMDA LAR. Any deficiencies detected during the audit are provided to the Operations Manager. Internally, Advanced Mortgage reviews 100% of its loans for HMDA data integrity accuracy.

Advanced Mortgage maintains advertising policy guidelines and ensures that all advertisements that are produced are 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, Advanced Mortgage received 321 HMDA-reportable loan applications from within the Commonwealth of Massachusetts. Of these applications, 18 or 5.6 percent were received from minority applicants, of which 15 or 83.3 percent resulted in originations. Advanced Mortgage received 12 or 3.7 percent of HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area of which 10 or 83.3 percent were originated.

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

MINORITY APPLICATION FLOW								
RACE	Advanced 2007		Advanced 2008		2008 Aggregate Data		Total Advanced	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	0	0.0	0	0.0	690	0.2	0	0.0
<i>Asian</i>	2	1.5	4	2.2	11,801	3.5	6	1.9
<i>Black/ African American</i>	1	0.7	4	2.2	11,751	3.5	5	1.5
<i>Hawaiian/Pac Isl.</i>	0	0.0	1	0.5	640	0.2	1	0.3
<i>2 or more Minority</i>	0	0.0	0	0.0	280	0.1	0	0.0
<i>Joint Race (White/Minority)</i>	4	3.0	2	1.1	3,199	1.0	6	1.9
<b>Total Minority</b>	<b>7</b>	<b>5.2</b>	<b>11</b>	<b>6.0</b>	<b>28,361</b>	<b>8.5</b>	<b>18</b>	<b>5.6</b>
<i>White</i>	124	91.8	174	93.5	234,229	69.6	298	92.8
<i>Race Not Available</i>	4	3.0	1	0.5	73,907	21.9	5	1.6
<b>Total</b>	<b>135</b>	<b>100.0</b>	<b>186</b>	<b>100.0</b>	<b>336,497</b>	<b>100.0</b>	<b>321</b>	<b>100.0</b>
ETHNICITY								
<i>Hispanic or Latino</i>	1	0.7	6	3.3	13,247	3.9	7	2.1
<i>Not Hispanic or Latino</i>	128	94.8	176	94.6	246,392	73.2	304	94.7
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	2	1.5	3	1.6	2,641	0.8	5	1.6
<i>Ethnicity Not Available</i>	4	3.0	1	0.5	74,217	22.1	5	1.6
<b>Total</b>	<b>135</b>	<b>100.0</b>	<b>186</b>	<b>100.0</b>	<b>336,497</b>	<b>100.0</b>	<b>321</b>	<b>100.0</b>

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

Advanced Mortgage's performance was lower than the 2008 aggregate's performance for racial minority applicants. Advanced Mortgage received 6.0 percent of its applications from racial minorities while the aggregate received 8.5 percent. The mortgage lender's performance was consistent with the aggregate for applications from ethnic minority. Advanced Mortgage received 4.9 percent of its applications from ethnic minorities while the aggregate received 4.7 percent. The number of racial minority applicants increased from 2007 to 2008 from 5.2 percent to 6.0 percent; and also the number of applications from ethnic minorities increased from 2.2 percent in 2007 to 4.9 percent in 2008.

Demographic information for Massachusetts reveals that the total ethnic and racial minority population stood at 18.12 percent of the total population in 2007. This segment of the population is comprised of 6.75 percent Hispanic or Latino; 5.01 percent Black; 3.73 percent Asian; .18 percent American Indian; .03 percent Native Hawaiian/Other Pacific Islander; and 2.42 percent identified as Other Race.

#### ***V. Loss of Affordable Housing***

This review concentrated on the suitability and sustainability of mortgage loans originated by Advanced Mortgage 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 sources including public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as partially described above, did not reveal lending practices or products that showed an undue concentration 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.

Advanced Mortgage's Service Test performance was rated an overall "Needs to Improve" 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.

Advanced Mortgage provides services that are accessible to geographies and individuals of different income levels in the Commonwealth. Advanced Mortgage provides a minimal level of Community Development Services.

Advanced Mortgage generates the majority of its business from repeat customers, referrals and print and television advertisement. The lender's website allows customers to view loan products available and apply online.

The lender's main office is located at 335 Washington Street in Norwell and is situated in upper-income geography. There are four additional branch offices. One office is on Main Street in Plymouth and is situated in a moderate-income geography. The Marshfield branch office on Plain Street and the two other offices with locations on Washington Street in Braintree are in upper-income geographies.

As Advanced Mortgage 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.

Advanced Mortgage provides a minimal level of Community Development Services. Listed below are the community development services provided by the mortgage lender.

Senior Loan Officers have participated in a number of local home buyer seminars. In 2008, reverse mortgage seminars were conducted at Advanced Mortgage's main office in Norwell, at the Scituate Council on Aging and Duxbury Council on Aging.

On an annual basis, several loan officers at Advanced Mortgage teamed together to participate in the Adopt-a-Family program in conjunction with the Plymouth Boys and Girls Club. The Adopt-A-Family program allows those who are looking to make a difference within the community to purchase items, such as toys, mittens, or clothing, for a selected family in need. The items are returned to the Boys and Girls Club, and distributed to the families in time for Christmas. The Boys and Girls Club programs and services promote and enhance the development of boys and girls by instilling a sense of competence, usefulness, belonging and influence.

### **Qualified Investment**

A qualified investment is a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

From 2007 through 2009, Advanced Mortgage donated \$3,370 to organizations that meet the definition of Community Development. Advanced Mortgage contributed to the following:

Advanced Mortgage has involvement with the Habitat for Humanity of Greater Plymouth. Most recently, Advanced Mortgage partnered with Habitat for Humanity of Greater Plymouth and entered into a holiday store front window display contest. Advanced Mortgage donated their store front window at their branch office located at 25 Main Street in Plymouth to Habitat for Humanity. The window display has a holiday theme and the window with the most votes wins a prize of \$500. The contest began at the annual tree lighting ceremony in Plymouth on December 4, 2009. Habitat for Humanity was the final winner and received \$500. The Plymouth Growth and Development Corporation offered the prize money. Advanced Mortgage has matched this prize with \$500 to Habitat for Humanity. The funds will be used to build a new Habitat Home on South Street in Plymouth. Habitat for Humanity is a non-profit organization that is facilitated by volunteers who build homes for people in need regardless of race and religion. The organization is committed to providing a decent, safe and affordable place to live.

In 2009, Advanced Mortgage sponsored a golf tournament to fundraise for the Wounded Warriors Project. All staff of Advanced Mortgage volunteered for the full day event. The Wounded Warriors Project relies on the support of dedicated individuals who help raise awareness and enlist the public's aid for the needs of severely injured service men and women, help severely injured service members to aid and assist each other, and provide unique, direct programs and services to meet warrior needs.

**Recommendations:**

Additional focus and commitment by Advanced Mortgage should be employed by taking a strong leadership role in other community development activities.

Other activities may include, but not be limited to: financial literacy education initiatives targeted to low- and moderate-income individuals; and foreclosure prevention counseling and/or technical assistance to community organizations implementing such programs.

## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

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