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Your guide.  
Your bank.

# **COMMUNITY REINVESTMENT ACT**

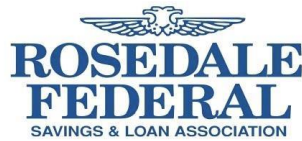
## **PUBLIC FILE**



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# **COMMUNITY REINVESTMENT ACT**

## **NOTICE AND POLICY**



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## COMMUNITY REINVESTMENT ACT NOTICE

Under the Federal Community Reinvestment Act (CRA), the Comptroller of the Currency evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Comptroller also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the Comptroller; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Comptroller publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Deputy Comptroller at:

**Deputy Comptroller  
Northeastern District  
Office of the Comptroller of the Currency  
340 Madison Avenue, Fifth Floor  
New York, NY 10173-0002**

You may send written comments about our performance in helping to meet community credit needs to:

**CRA Officer  
Rosedale Federal Savings and Loan Association  
9616 Belair Road  
Baltimore, Maryland 21236**

and:

**Deputy Comptroller  
Northeastern District  
Office of the Comptroller of the Currency  
340 Madison Avenue, Fifth Floor  
New York, NY 10173-0002**

Your letter, together with any response by us, will be considered by the Comptroller in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Deputy Comptroller. You may also request from the Deputy Comptroller an announcement of our applications covered by the CRA filed with the Comptroller.

## POLICY STATEMENT AND RESOLUTION

It is Rosedale Federal Savings & Loan Association's ("Rosedale Federal" or "Association") policy to ensure proper adherence to the provisions and intent of the Community Reinvestment Act in order to meet the goals of the credit needs of the communities the Association serves, including low and moderate-income neighborhoods. The Association's lending programs, deposit products and other financial services are designed to enable the Association's community to purchase homes, businesses, and build financial security.

Whereas Rosedale Federal Savings and Loan Association has a policy of providing deposit and lending services to prospective customers located in areas serviced by our offices and throughout central Maryland, be it resolved that the Association adopts the following statement:

Rosedale Federal will concentrate its deposit and lending services in the local community served by its offices located in Overlea, Rosedale, Perry Hall, Bel Air, White Marsh, Abingdon, Forest Hill, Towson, Dundalk, Timonium, Parkville, Arbutus, and Pasadena. Rosedale Federal's CRA assessment area consists of the following counties within the Baltimore-Columbia-Towson Metropolitan Statistical Area (MSA): Baltimore City, and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties.

The following map (appended to end of policy) shows the assessment area which is the focus of the Association's deposit and lending services. Loan and deposit applications outside the central Maryland area will be considered on a case-by-case basis, as these will be considered a secondary service area. The duty of this Association shall be to help meet the deposit and credit needs of customers within the Baltimore-Columbia-Towson MSA first, and within its secondary area with any excess funds.

For purposes of regulatory classification and this policy, the Association has classified itself as an Intermediate Small bank under the Act.

## ENFORCEMENT

The Board of Directors will review this policy on an annual basis to ensure continued compliance with the Act and with the strategic goals of the Association. Senior management is responsible for ensuring these policy requirements are implemented and administered in compliance with the approved policy.

The primary responsibility for enforcement of this policy and its operating procedures rests with the CRA Officer. All Officers, Managers, and employees are expected to cooperate in making it effective.

## ACCOUNTABILITY

### **Board of Directors and Senior Management**

The Board of Directors has the ultimate responsibility to ensure the proper management of the Association's CRA Program. To accomplish this goal, the Board of Directors has charged Senior Management with the responsibility to determine the necessary course of action to ensure adherence to appropriate laws and regulations is managed in an effective and consistent manner for the entire organization.

Specifically, the Board of Directors is responsible for:

1. Ensuring the quality of the Association's CRA Program;
2. Designating a qualified CRA Officer;
3. Maintaining a working knowledge of the Association's CRA Program; and
4. Reviewing for formal adoption the written policies necessary to ensure effective adherence with applicable compliance laws and regulations.

### **CRA Officer and CRA Committee**

Senior Management through the directive issued by the Board of Directors has elected a CRA Officer to supervise the overall management of the Association's CRA Program. The CRA Officer will report directly to the Association's President in matters relating to compliance. The CRA Officer will report quarterly to the Board of Directors the status of the CRA program and results of the CRA Committee quarterly meetings.

The CRA Officer will oversee the Association's CRA Committee. The Committee will consist of members from all departments related to the CRA program (e.g., Loan Origination, Loan Servicing, Marketing, Compliance, etc.). The Committee will be responsible for the design and administration of a comprehensive CRA program. CRA compliance represents an ongoing operational process. While the CRA Officer and CRA Committee are responsible for the programs' coordination and oversight, each department, branch, and manager will be accountable for compliance in its own area. Likewise, each employee will be responsible for assuring that his or her own work complies with all applicable rules.

The CRA Officer and Committee will be responsible for:

- monitoring the Association's compliance with CRA including notification and public file requirements.
- coordinate and monitor continuing efforts to ascertain local credit needs through interaction with various individuals and community groups.
- Regularly evaluate the Association's efforts to meet local credit needs, including those of low- and moderate-income areas as well as low- and moderate-income borrowers.
- recommend ways to improve the Association's CRA performance.
- Ensure that the Board of Directors reviews and approves the CRA Policy and Statement at least annually and is informed of the Association's CRA compliance efforts on a periodic basis.
- Review and discuss all CRA community development loans and investments, community outreach and donations, and statistical fair lending data analysis.
- maintain detailed CRA tracking and recordkeeping.
- Reviewing and implementing changes to the CRA program mandated by the law.
- Reviewing and assigning the Association's CRA training program.
- Supporting an independent CRA audit program and reviewing and responding to audit exceptions and/or regulatory examination results; and
- Providing overall general guidance and expertise to ensure the successful implementation of the Association's CRA Program.

### **PERFORMANCE TESTS, STANDARDS AND RATINGS**

In general, the Association's federal regulator will consider its responsiveness to credit and community development needs, as well as the innovativeness and complexity of the Association's community development lending, qualified investments, and community development services. This criterion includes consideration of the degree to which they serve as a promoter for other community development activities. This criterion is designed to add a qualitative element to the evaluation of the Association's performance.

### **PERFORMANCE CRITERIA – INTERMEDIATE SMALL BANK**

An intermediate small bank's performance is evaluated pursuant to the following criteria:

#### **1. Lending Test:**

- A. The bank's loan-to-deposit ratio (adjusted for seasonal variation) and as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments. The loan-to-deposit ratio is calculated in the same manner that the Uniform Bank Performance Report (UBPR) determines the ratio. It is calculated by dividing the bank's net loans and leases by its total deposits. The ratio is found in the Liquidity and Investment Portfolio section of the UBPR. An examiner will use this ratio to calculate an

- average since the last examination by adding the quarterly loan-to-deposit ratios and dividing the total by the number of quarters;
- B. The percentage of loans, and as appropriate, other lending related activities located in the bank's assessment area(s);
  - C. The bank's record of lending to and as appropriate, engaging in other lending related activities for borrowers of different income levels and businesses and farms of different sizes;
  - D. The geographic distribution of the bank's loans; and
  - E. The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Lending related activities will be considered when it is necessary to determine whether the bank meets or exceeds the standards for a satisfactory rating. An examiner will also consider other lending related activities at the bank's request.

### 2. Community Development Test:

- A. The number and amount of community development loans;
- B. The number and amount of qualified investments;
- C. The extent to which the bank provides community development services; and
- D. The bank's responsiveness through such activities to community development lending, investment and services needs.

An intermediate small bank has the flexibility to allocate its resources among community development loans, qualified investments and community development services in amounts that it reasonably determines are most responsive to community development needs and opportunities. Appropriate levels of each of these activities would depend on the capacity and business strategy of the bank, community needs and number and types of opportunities for community development.

Federal regulators will consider not only the types of services provided to benefit low- and moderate-income individuals, such as low-cost bank checking accounts and low-cost remittance services, but also the presence of branches located in low- and moderate-income geographies to help demonstrate the availability of banking services to low- and moderate-income individuals

Additionally, federal regulators will consider not only quantitative measures of performance, such as the number and amount of community development loans, qualified investments and community development services, but also qualitative aspects of performance. Examiners will evaluate the responsiveness of the bank's community development activities in light of the bank's capacity, business strategy, the needs of the community and the number and types of opportunities for each type of community development activity (its performance context). Examiners will also consider the results of any assessment by the bank of community development needs and how the bank's activities respond to those needs.

An evaluation of the degree of responsiveness considers the volume, mix, and qualitative aspects of community development loans, qualified investments and community development services. Consideration of the qualitative aspects of performance recognizes that community development activities sometimes require special expertise or effort on the part of a bank or provide a benefit to the community that would not otherwise be made available. However, "innovativeness" and "complexity" factors examiners may consider when evaluating a large bank under the lending, investment and service tests are not criteria in the intermediate small bank community development test. In some cases, a smaller loan may have more qualitative benefit to a community than a larger loan. Activities are considered particularly responsive to community development needs if they benefit low- and moderate-income individuals in low- or moderate-income geographies, designated disaster areas or distressed or underserved middle income non-metropolitan geographies.

### EFFECT OF CRA PERFORMANCE ON APPLICATIONS

A federal regulator considers the record of performance under the CRA of:

1. Each applicant bank for the:
  - A. Establishment of a domestic branch by a state member bank; and
  - B. Merger, consolidation, acquisition of assets or assumption of liabilities requiring approval under the Bank Merger Act if the acquiring, assuming or resulting bank is to be a state member bank; and
2. Each insured depository institution controlled by an applicant and subsidiary bank or savings association proposed to be controlled by an applicant:
  - A. To become a bank holding company in a transaction that requires approval under Section 3 of the Bank Holding Company Act;
  - B. To acquire ownership or control of shares or all or substantially all the assets of a bank, to cause a bank to become a subsidiary of a bank holding company, or to merge or consolidate a bank holding company with any other bank holding company in a transaction that requires approval under Section 3 of the Bank Holding Company Act; and
  - C. To own, control or operate a savings association in a transaction that requires approval under section 4 of the Bank Holding Company Act.

A bank's record of performance may be the basis for denying or conditioning approval of an application. In cases in which CRA performance is a relevant factor, information from a CRA performance examination of a bank is a particularly important consideration in the applications process because it represents a detailed evaluation of the bank's CRA performance by its federal regulator. In this light an examination is an important and often controlling factor in the consideration of a bank's record. In some cases, the examination may not be recent, or a specific issue raised in the application process, such as progress in addressing weaknesses noted by an examiner, progress in implementing commitments previously made to the reviewing agency, or a supported allegation from a commenter, is relevant to CRA performance and was not addressed in the examination. In these circumstances, a bank should present sufficient information to supplement its record of performance and to respond to the substantive issues raised in the application proceeding.

Commitments for future action are not viewed as part of the CRA record of performance. In general, a bank cannot use commitments made in the applications process to overcome a seriously deficient record of CRA performance. However, commitments for improvements in a bank's performance may be appropriate to address specific weaknesses in an otherwise satisfactory record or to address CRA performance when a financially troubled institution is being acquired.

### **Interested Parties**

As part of the application process a federal regulator considers any views expressed by interested parties. Written comments, which may express either support for or opposition to the application, are made as part of the record in accordance with regulatory procedures and are carefully considered in the decision-making process. Comments should be supported by facts about the applicant's performance and should be as specific as possible in explaining the basis for supporting or opposing the application.

### **ASSESSMENT AREA DELINEATION**

#### **Rules for Delineating Assessment Area**

A bank is required to delineate one or more assessment areas. These assessment areas will be evaluated by the bank's federal regulator to determine if the bank is meeting the credit needs of its community.

A bank's assessment area for CRA purposes generally consists of:

1. Geographic Area(s)



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- A. Generally, consist of one or more MSAs or metropolitan divisions (using the MSA or metropolitan division boundaries that were in effect as of January 1 of the calendar year in which the delineation is made); or
  - B. One or more contiguous political subdivisions, such as counties, cities, towns, townships or Indian reservations; and
  - C. Includes the geographies in which the bank has its main office, its branches, and its deposit taking ATMs, as well as the surrounding geographies in which the bank has originated or purchased a substantial portion of its loans (including home mortgage loans, small business and small farm loans, and any other loans the bank chooses, such as those consumer loans on which the bank elects to have its performance assessed).
2. Census Tracts
- A. The geographies (i.e., census tracts) in which a bank has its main office, any branches and deposit taking ATMs; and
  - B. The surrounding tracts in which a bank has originated or purchased a substantial portion of its loans.
3. Adjustments - A bank may adjust the assessment area to include only that portion of a political subdivision that the bank can reasonably be expected to serve. It must include whole geographies (i.e., census tracts or block numbering areas) in its assessment areas and generally should include entire political subdivisions. Because census tracts and block numbering areas are the common geographic areas used consistently nationwide for data collection, federal regulators require that assessment areas be made up of whole geographies. If including an entire political subdivision would create an area that is larger than the area a bank can reasonably be expected to serve, the bank may (but is not required to) adjust the boundaries of its assessment area to include only portions of the political subdivision. For example, this adjustment is appropriate if the assessment area would otherwise be extremely large, of unusual configuration, or divided by significant geographic barriers (such as a river, mountain, or major highway system). When adjusting the boundaries of its assessment areas, a bank must not arbitrarily exclude low- or moderate-income geographies or set boundaries that reflect illegal discrimination.
4. Limitations on Assessment Area - The assessment area for CRA purposes must only consist of whole census tracts and may not:
- A. Be based on or reflecting illegal discrimination.
  - B. Arbitrarily exclude low- or moderate-income census tracts; or
  - C. Extend substantially beyond a MSA or beyond a state boundary unless the assessment area is located in a multi-state MSA. If a bank serves a geographic area that extends substantially beyond a state boundary, the bank shall delineate separate assessment areas for the areas in each state. If a bank serves a geographic area that extends substantially beyond a MSA boundary, the bank shall delineate separate assessment areas for the areas inside and outside the MSA.

### ROSEDALE FEDERAL'S ASSESSMENT AREA

Rosedale Federal's CRA assessment area consists of the following Central Maryland counties within the Baltimore-Columbia-Towson Metropolitan Statistical Area (MSA): Baltimore City, and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties and all their census tracts. Rosedale Federal focuses its deposit and lending services in the local community served by its offices located in Overlea, Rosedale, Perry Hall, Bel Air, White Marsh, Abingdon, Forest Hill, Towson, Dundalk, Timonium, Parkville, Arbutus, and Pasadena. Loan and deposit applications outside the Central Maryland area will be considered on a case-by-case basis, as these are considered a secondary service area. The assessment area includes geographies in which the Association has its branch locations and does not arbitrarily exclude low- or moderate-income geographies.

### **Annual Review of Assessment Area**



Each year, in conjunction with the Association's self-assessment, the Association may review and adjust the assessment area boundaries at its discretion. An example of this adjustment could be a contraction or expansion of the Association's assessment area warranting the following:

1. The results of the annual analysis of the geographical distribution of an Association's lending activity, indicating that an Association's borrowing base expanded beyond the current territory to the point where the majority of an Association's loans may not be confined to existing boundaries.
2. The opening of a new branch, which may require the delineation of a separate or expanded assessment area.
3. The establishment of an offsite proprietary Automated Teller Machine (ATM).
4. A branch closure; or
5. A regulatory CRA examination in which an Association's assessment area delineation is determined to be inappropriate or not in compliance with the regulation.

The Association considers its assessment area as part of their business and strategic planning process.

### CRA PUBLIC FILE AND NOTICE

The Association's CRA Public File must contain the following information, current as of April 1<sup>st</sup> of each year:

1. Written Comments - All written comments received from the public:
  - A. For the current year and each of the prior two (2) calendar years; and
  - B. Specifically relating to the Association's performance in helping to meet community needs.
2. Response to Comments - Any responses by the Association to comments, if neither the comments nor the responses contain statements that:
  - A. Reflect adversely on the good name or reputation of any persons other than the Association; or
  - B. Contain information which would violate specific provisions of the law.
3. Public Section of CRA Performance Evaluation - A copy of the public section of the Association's most recent CRA Performance Evaluation prepared by the supervisory agency. This must be in the Association's public files within 30 business days of receipt.
4. Branch Listing - A list of the Association's branches, including their street addresses and geographies (i.e., census tracts).
5. List of Branches Opened or Closed - A list of branches open or closed by the Association during the current year and each of the prior two calendar years, including their street address and geographies (i.e., census tracts).
6. List of Services - A list of the services generally offered at the Association's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. This includes the Association's:
  - A. Hours of operation.
  - B. Available loan and deposit products; and
  - C. Transaction fees.
7. Assessment Area Map and Geographies - A map of each assessment is showing the boundaries of the area and identifying the geographies contained with the area, either on the map or in a separate list.
8. HMDA Mortgage Loan Disclosure Statements - A written notice that the Association's HMDA Disclosure Statements may be obtained on the Bureau's Web site at [www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda). This written notice shall be placed in the public file within three business days after receiving notification of its availability from the FFIEC.
9. Loan-to-deposit Ratio - The Association's loan-to-deposit ratio for each quarter of the prior calendar year or more.
10. Other Information - Any other information of the Association's CRA Officer chooses to incorporate into the Association's CRA Public File, such as performance context information.
12. Small Banks Data - If the Association was a small bank during the prior calendar year it shall include in its public file:
  - A. The Association's loan-to-deposit ratio for each quarter of the prior calendar year and, at its option, additional data on its loan-to-deposit ratio; and

B. The information required for other bank's if the Association has elected to be evaluated under the Lending, Investment, and Service tests.

13. Banks with Less Than Satisfactory Ratings - If the Association received a less than satisfactory rating during its most recent examination it is required to include in its public file a description of its current efforts to improve its performance in helping to meet the credit needs of its entire community and update the description quarterly.

### **Public File and Notice Location Requirements**

It is the policy of Rosedale Federal that a CRA Notice is posted in the lobby of each office, and the Association's CRA Public File is made available to the public for inspection upon request. A copy of the public file is maintained on the Association's intranet (Eagles' Nest) under the Compliance Department section.

It is the policy of the Association to provide copies upon request, either on paper or in another form acceptable to the person making the request, of the information in its public file. All inquiries or requests for the Association's public file should be communicated to the Chief Compliance Officer or the President prior to providing copies. The Association may charge a reasonable fee not to exceed the cost of copying and mailing (if applicable).

### **COMPLAINTS**

Any complaint which addresses the Association's CRA performance is to be given prompt, courteous and fair attention. This includes complaints from customers, non-customers, community groups, or a banking regulator.

Examples of complaints relating to the Association's CRA performance are as follows:

1. A complaint that the Association has demonstrated discriminatory practices in making a credit decision or in making credit available.
2. A complaint of any nature received from a community organization.
3. A complaint that refers directly or indirectly to the Community Reinvestment Act.
4. A complaint that a particular credit product is not offered by the Association.
5. A complaint referencing the Association's activities in a particular geographic area.
6. A complaint that in any way alludes to discrimination, other than strictly in the employment context.
7. A complaint about the Association's business days or hours or branch location(s).
8. A complaint concerning the Association's response to a real estate secured loan request, in particular a residential mortgage, residential construction, home improvement or home equity loan or line of credit; and
9. A complaint concerning the Association's response to an applicant for small business credit.

Verbal or written complaint(s) received that impact the Association's CRA performance are to be immediately referred to the Association's CRA Officer. The CRA Officer is responsible for handling the complaint and coordinating a response with the impacted department. The CRA Officer is to ensure that the Association's Compliance Officer is also notified and copied on the complaint and response. The CRA Officer will report any CRA-related complaints to the CRA Committee.

It is the Association's policy to respond in writing to any written CRA complaint. Any complaint affecting the Association's CRA performance is a serious matter and is to be provided immediate attention until the problem is resolved to the satisfaction of all parties to the extent possible.

The CRA Officer is to ensure that the written complaint and response are routed to the Association's CRA Public File at all branch office locations.

### **CHARITABLE CONTRIBUTIONS**

It is the responsibility of the Marketing Department to:

1. Administer the Association's charitable contribution program, including the development and maintenance of policies and procedures.
2. Evaluate whether a charitable request meets the Association's eligibility criteria standards, is a qualified investment for CRA purposes, and approve or decline such requests.
3. Approve or decline charitable contribution requests that do not meet the Association's approved eligibility criteria.
4. Report to the CRA Committee on a quarterly basis regarding the state of the Association's charitable contributions program; and
5. Inform all Association personnel of the directives and scope of the contribution policy.

### **Eligible Organization Criteria**

The Association typically considers organizations that benefit low and moderate-income individuals within the Association's CRA Assessment Area for charitable contributions. Examples of such organizations are those that offer:

1. Community development, revitalization or stabilization programs.
2. Community health care services.
3. Affordable housing programs.
4. Economic forums and studies.
5. Economic development.
6. Small business foundations.
7. Community development corporations (CDCs) or community development financial institutions (CDFIs);
8. Employment training programs.
9. Educational programs within the community; or
10. Social welfare programs.

### **Ineligible Organization Criteria**

Organizations that typically would not be eligible to receive funding from the Association are:

1. Political candidates or campaigns.
2. Individual religious organizations.
3. Fraternal organizations; or
4. Employment unions.

### **TRAINING**

Senior Management, Branch and Department Managers, and Association staff are required to consider the Association's CRA responsibilities as part of safe and sound lending practices. Such personnel are to receive a current copy of this policy for reference. The CRA Officer and Chief Lending Officer are responsible for ensuring that the Association's lending staff applies CRA and fair lending standards in all credit activities and decisions.

1. Board of Directors and Senior Management - The Board of Directors and Senior Management are to be kept informed of the Association's CRA goals and performance. The CRA Officer will review with the Board of Directors and Senior Management on a periodic basis the effectiveness of the Association's CRA Program
2. Branch and Department Managers and Loan Officers - Branch and Department Managers and Lending Officers must have a good understanding of both CRA and fair lending laws, as they are primarily responsible for accomplishing the performance standards required for a satisfactory or outstanding rating.
3. Other Personnel - All other personnel are to know the identity of the Association's CRA Officer; read and understand the Association's CRA Policy; and know the location of the Association's public CRA file and public notices.

### **Frequency of Training**

It is the responsibility of the CRA Officer to ensure that all personnel receive job specific training on CRA and the directives of this policy on an annual basis. All officers of the Association are responsible for the complete comprehension of this policy and for verifying their employees understand their responsibilities.

### **RETENTION OF DOCUMENTS**

The Association is required to retain evidence of compliance with CRA according to the Record Retention Schedule of the Association.

## APPENDIX A

### IMPORTANT DEFINITIONS

1. Affiliate - any company that controls, is controlled by, or is under common control with another company (such as a subsidiary). The term also means a company that is under common control with another company if both companies are directly or indirectly controlled by the same company.
2. Area Median Income -
  - A. The median family income for the MSA, if a person or geography is located in a MSA, or for the metropolitan division, if a person or geography is located in a MSA that has been subdivided into metropolitan divisions; or
  - B. The statewide non-metropolitan median family income, if a person or geography is located outside a MSA.
3. Assessment Area - a geographic area delineated in accordance with the Act.
4. Automated Teller Machine (ATM) - an automated, unstaffed banking facility owned or operated by, or operated exclusively for the bank at which deposits are received, cash dispersed, or money lent.
5. Bank - a State member bank as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act and includes an uninsured State branch (other than a limited branch) of a foreign bank.
6. Branch - a staffed banking facility approved as a branch, whether shared or not, including, for example, a mini branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

A staffed mobile office authorized as a branch is included in this definition, in addition to an Automated Teller Machine (ATM) and Remote Service Facility (RSF). A Loan Production Office (LPO) or any other office is not authorized as a "branch" unless they are authorized as a branch of the institution through the regulatory approval process of the institution's supervisory agency.

7. Community Development – This definition applies to all banks:
  - A. Affordable housing (including multi-family rental housing) for low- or moderate-income individuals. The concept of "affordable housing" for low- or moderate-income individuals hinges on whether low- or moderate-income individuals benefit, or are likely to benefit, from the housing. It would be inappropriate to give consideration to a project that exclusively or predominately houses families that are not low or moderate income simply because the rents or housing prices are set according to a particular formula. For projects that do not yet have occupants, and for which the income of the potential occupants cannot be determined in advance, or in other projects where the income of occupants cannot be verified, federal regulators will review factors such as demographic, economic and market data to determine the likelihood that the housing will "primarily" accommodate low- or moderate-income individuals. For example, examiners may look at:
    - Median rents of the assessment area and the project;
    - The median home value of either the assessment area, low- or moderate-income geographies or the project;
    - The low- or moderate-income population in the area of the project; or
    - The past performance record of the organization(s) undertaking the project.

Further, such a project could receive consideration if its express bona fide intent, as stated, for example, in a prospectus, loan proposal or community action plan is community development;

- B. Community services targeted to low- or moderate-income individuals;
- C. Activities that promote economic development by financing small businesses or farms that meet the size eligibility standards of the Small Business Administration's (SBA's) Development Company or Small Business Investment Company programs or have gross annual revenues of \$1 million or less. However, this definition does not limit community development loans and services and qualified investments to those activities. Community development also includes community or tribal based child care, educational, health, or social services targeted to low- or moderate-income persons, affordable housing for low- or moderate-income individuals, and activities that revitalize or stabilize low- or moderate-income areas; or
- D. Activities that revitalize or stabilize. Such activities are those that help to attract and retain businesses and residents. Federal regulators will presume that an activity revitalizes or stabilizes a low-or-moderate income geography if the activity has been approved by the governing board of an Enterprise Community or Empowerment Zone and is consistent with the board's strategic plan. The examiners will make the same presumption if the activity has received similar official designation as consistent with a federal, state, local or tribal government plan for the revitalization or stabilization of the geography. Examiners will evaluate the activity's actual impact on the geography, if information about this is available to determine whether other activities revitalize or stabilize a low- or moderate-income geography. If not, examiners will determine whether the activity is consistent with the community's formal or informal plans for the revitalization and stabilization of the low- or moderate-income geography. Activities include:
  - Low- or moderate-income geographies. This definition also includes activities outside of low- and moderate-income areas that provide affordable housing for, or community services targeted to, low- or moderate-income individuals and activities that promote economic development by financing small businesses and farms. Activities that stabilize or revitalize particular low- or moderate-income areas (including by creating, retaining, or improving jobs for low- or moderate-income persons) also qualify as community development, even if the activities are not located in these low- or moderate-income areas. One example is financing a supermarket that serves as an anchor store in a small strip mall located at the edge of a middle-income area, if the mall stabilizes the adjacent low-income community by providing needed shopping services that are not otherwise available in the low-income community.

The flexibility of the performance standards allows federal regulators to account in their evaluations for conditions in high cost areas. Examiners consider lending and services to individuals and geographies of all income levels and businesses of all sizes and revenues. In addition, the flexibility in the requirement that community development loans, community development services, and qualified investments have as their "primary" purpose community development allows examiners to account for conditions in high cost areas. For example, examiners could take into account the fact that activities address a credit shortage among middle income people or areas caused by the disproportionately high cost of building, maintaining or acquiring a house when determining whether an institution's loan to or investment in an organization that funds affordable housing for middle income people or areas, as well as low- and moderate-income people or areas, has as its primary purpose community development.

- Designated disaster areas by the federal government. Such disaster designations include, in particular, Major Disaster Declarations administered by the Federal Emergency Management Agency (FEMA), but excludes counties designated to receive only FEMA Public Assistance Emergency Work Category A (Debris Removal) and/or Category B (Emergency Protective Measures). Federal regulators will consider bank activities related to disaster recovery that revitalize or stabilize a designated disaster area for 36 months following the date of designation. This period may be extended when there is a demonstrable community need to extend the period for recognizing revitalization or stabilization activities in a particular disaster area to assist in long-term recovery efforts.



Federal regulators will generally consider an activity to revitalize or stabilize a designated disaster area if it helps to attract new, or retain existing, businesses or residents and is related to disaster recovery. An activity will be presumed to revitalize or stabilize the area if the activity is consistent with a bona fide government revitalization or stabilization plan or disaster recovery plan. The examiners will generally consider all activities relating to disaster recovery that revitalize or stabilize a designated disaster area but will give greater weight to those activities that are most responsive to community needs, including the needs of low- or moderate-income individuals or neighborhoods. Qualifying activities may include for example:

1. Providing financing to help retain businesses in the area that employs local residents, including low- and moderate-income individuals;
  2. Providing financing to attract a major new employer that will create long term job opportunities, including low- and moderate-income individuals;
  3. Providing financing or other assistance for essential community wide infrastructure, community services, and rebuilding needs; and
  4. Activities that provide housing, financial assistance, and services to individuals in designated disaster areas and to individuals who have been displaced from those areas, including low- and moderate-income individuals.
- Distressed or underserved non-metropolitan middle-income geographies designated by the Federal Reserve Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
    1. Rates of poverty, unemployment and population loss; or
    2. Population size, density and dispersion. Activities revitalize and stabilize designated geographies based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Eligible non-metropolitan middle-income geographies are those designated by the federal regulators as being in distress or that could have difficulty meeting essential community needs (underserved). A particular geography could be designated as both distressed and underserved.

A non-metropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

1. An unemployment rate of at least 1.5 times the national average;
2. A poverty rate of 20 percent or more; or
3. A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of five percent or more over the five-year period preceding the most recent census.

An activity that revitalizes or stabilizes a distressed non-metropolitan middle-income geography is one that helps to attract new, or retain existing, businesses or residents. An activity will be presumed to revitalize or stabilize the area if the activity is consistent with a bona fide government revitalization or stabilization plan. Examiners will generally consider all activities that revitalize or stabilize a distressed non-metropolitan middle-income geography but will give greater weight to those activities that are most responsive to community needs, including needs of low- or moderate-income individuals or neighborhoods. Qualifying activities may include, for example, providing financing to attract a major new employer that will create long term job opportunities, including for low- and moderate-income individuals, and activities that provide financing or other assistance for essential infrastructure or facilities necessary to attract or retain businesses or residents.

A non-metropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is



sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs. Referral regulators will use as the basis for these designations the “urban influence codes,” numbered “7,” “10,” “11,” and “12” maintained by the Economic Research Service of the United States Department of Agriculture.

Activities revitalize or stabilize an underserved non-metropolitan middle-income geography are those that help to meet essential community needs, including needs of low- or moderate-income individuals. Activities such as financing for the construction, expansion, improvement, maintenance, or operation of essential infrastructure or facilities for health services, education, public safety, public services, industrial parks, or affordable housing, will be evaluated under these criteria to determine if they qualify for revitalization or stabilization consideration. Examples of the types of projects that qualify as meeting essential community needs, including needs of low- or moderate-income individuals, would be a:

1. New or expanded hospital that serves the entire county, including low- and moderate-income residents;
2. Industrial park for businesses whose employees include low- or moderate-income individuals;
3. New or rehabilitated sewer line that serves the community and connects to low- or moderate-income development residents;
4. Mixed income housing development that includes affordable housing for low- and moderate-income families; or
5. Renovated elementary school that serves children from the community, including children from low- and moderate-income families.

Additional activities may be considered to revitalize or stabilize the geography if an underserved geography is also designated as distressed or a disaster area.

Federal regulators will publish data source information along with the list of eligible non-metropolitan census tracts on the Federal Financial Institutions Examination Council Website (<http://www.ffiec.gov>) and review and update the list annually as needed. Federal regulators have adopted a one year “lag period” to the extent that changes to the designated census tracts occur. This lag period will be in effect for the twelve months immediately following the date when a census tract that was designated as distressed or underserved is removed from the designated list. Revitalization or stabilization activities undertaken during the lag period will receive consideration as community development activities if they would have been considered to have a primary purpose of community development if the census tract in which they were located were still designated as distressed or underserved.

### 8. Community Development Loan - a loan that:

- A. Has as its primary purpose community development (as defined above); and
- B. Except in the case of a wholesale or limited purpose bank has not been reported or collected by a bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm or consumer loan, unless it is a multi-family dwelling loan; and
- C. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes its assessment area(s). A regional area may be as small as a city or county or as large as a multi-state area.

Community development loans and services and qualified investments to statewide or regional organizations that have a bona fide purpose, mandate, or function that includes serving the geographies or individuals within a bank’s assessment area(s) will be considered as addressing assessment area needs. When examiners evaluate community development loans and services and qualified investments that benefit a regional area that includes the bank’s assessment area(s), they will

consider the bank's performance context as well as the size of the regional area and the actual or potential benefit to the bank's assessment area(s). With larger regional areas, benefit to the bank's assessment area(s) may be diffused and, thus less responsive to assessment area needs. In addition, as long as a bank has adequately addressed the community development needs of its assessment area(s), it will also receive consideration for community development activities that benefit geographies or individuals located somewhere within the broader statewide or regional area that includes the bank's assessment area(s), even if those activities do not benefit its assessment area(s).

Examples of community development loans include, but are not limited to, loans to:

- A. Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing of multifamily rental property serving low- and moderate-income persons;
- B. Not for profit organizations serving primarily low- and moderate-income housing or other community development needs;
- C. Borrowers to construct or rehabilitate community facilities that are located in low- and moderate-income areas or that serve primarily low- and moderate-income individuals which may include the abatement or remediation of, or other actions to correct, environmental hazards, such as lead based paint, that are present in the housing, facilities or site;
- D. Financial intermediaries including Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), minority and women owned financial institutions, community loan funds or pools and low income or community development credit unions that primarily lend or facilitate lending to promote community development;
- E. Local, state, and tribal governments for community development activities; and
- F. Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the low- or moderate-income community in which the property is located.

Credit cards issued to low- or moderate-income individuals for household, family, or other personal expenditures, whether as part of a program targeted to such individuals or otherwise, do not qualify as community development loans because they do not have as their primary purpose any of the activities included in the definition of community development.

9. Community Development Service - a service that:

- A. Has as its primary purpose community development (as defined above);
- B. Is related to the provision of financial services; and
- C. Has not been considered in the evaluation of a bank's retail banking services.

Providing financial services means providing services of the type generally provided by the financial services industry. Providing financial services often involves informing community members about how to get or use credit or otherwise providing credit services or information to the community. For example, service on the board of directors of an organization that promotes credit availability or finances affordable housing is related to the provision of financial services. Providing technical assistance about financial services to community-based groups, local or tribal government agencies, or intermediaries that help to meet the credit needs of low- and moderate-income individuals or small businesses and farms is also providing financial services. By contrast, activities that do not take advantage of the employees' financial expertise, such as neighborhood cleanups, do not involve the provision of financial services.

Examples of community development services include, but are not limited to, the following:

- A. Providing financial services to low- and moderate-income individuals through branches and other facilities located in low- and moderate-income areas, unless the provision of such services has been considered in the evaluation of a bank's retail banking services under the Service Test Performance Criteria;
- B. Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving low- and moderate-income housing or economic revitalization and development needs;
- C. Providing technical assistance on financial matters to small businesses or community development organizations, including organizations and individuals who apply for loans or grants under the Federal Home Loan Banks' Affordable Housing Program. Examples of technical assistance activities that might be provided include:
  - Serving on a loan review committee;
  - Developing loan application and underwriting standards;
  - Developing loan processing systems;
  - Developing secondary market vehicles or programs;
  - Assisting in marketing financial services, including development of advertising and promotions, publications, workshops and conferences;
  - Furnishing financial services training for staff and management;
  - Contributing accounting/bookkeeping services; and
  - Assisting in fund raising, including soliciting or arranging investments.
- D. Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- E. Providing credit counseling, home buyer and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- F. Establishing school savings programs and developing or teaching financial educational classes for low- or moderate-income individuals;
- G. Providing electronic benefits transfer and point of sale terminal systems to improve access to financial services, such as by decreasing costs, for low- or moderate-income individuals;
- H. Providing international remittances services that increase access to financial services by low- and moderate-income persons (for example, by offering reasonably priced international remittances services in connection with a low-cost account); and
- I. Providing other financial services with the primary purpose of community development, such as low-cost bank accounts, including "Electronic Transfer Accounts" provided pursuant to the Debt Collection Improvement Act, or free government check cashing that increases access to financial services for low- or moderate-income individuals.

Personal charitable activities provided by a bank's employees or directors outside the ordinary course of their employment are not considered community development services. Services must be provided as a representative of the bank. For example, if a bank's director on his or her own time (and not as a representative of the bank) volunteers one evening a week at a local community development corporation's financial counseling program, the bank may not consider this activity a community development service.

10. Consumer Loan - a loan to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. Consumer loans include the following categories of loans:

- A. Motor Vehicle Loan - a consumer loan extended for the purchase of and secured by a motor vehicle;
  - B. Credit Card Loan - a line of credit for household, family, or other personal expenditures that is accessed by a borrower's use of a "credit card";
  - C. Home Equity Loan - a consumer loan secured by a residence of the borrower;
  - D. Other Secured Consumer Loan - a secured consumer loan that is not included in one of the other categories of consumer loans; and
  - E. Other Unsecured Consumer Loan - an unsecured consumer loan that is not included in one of the other categories of consumer loans.
11. Geography - a census tract delineated by the United States Bureau of the Census in the most recent decennial census.
12. Home Mortgage Loan - a "home improvement loan", a "home purchase loan" or a "refinancing."
13. Income Level - includes:
- A. Low-Income - an individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of geography.
  - B. Moderate-Income - an individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of geography.
  - C. Middle-Income - an individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of geography.
  - D. Upper-Income - an individual income that is 120% or more of the area median income, or a median family income that is 120% or more, in the case of geography.

The income levels for geographies, i.e., census tracts and block numbering areas, are derived from Census Bureau information and are updated every ten years. Banks may contact their regional Census Bureau office to obtain income levels for geographies. The income levels for individuals are derived from information calculated by the Department of Housing and Urban Development (HUD) and updated annually. Banks may contact HUD to request a copy of Median Family Incomes for States and their Metropolitan and Non-Metropolitan Portions.

14. Limited Purpose Bank - a bank that offers only a narrow product line (such as credit card or motor vehicle loans) to a regional or broader market and for which a designation as a limited purpose bank is in effect. A bank that offers a narrow product line by limiting its lending activities to a product line other than a traditional retail product line is required to be evaluated under the lending test (i.e., home mortgage, small business, and small farm loans). Thus, a bank engaged only in making credit card or motor vehicle loans offers a narrow product line, while a bank limiting its lending activities to home mortgages is not offering a narrow product line.

Limited purpose banks will continue to meet the narrow product line requirement if they provide other types of loans on an infrequent basis. In reviewing other lending activities by these banks, federal regulators will consider the following factors:

- A. Is the other lending provided as an incident to the bank's wholesale lending?
- B. Are the loans provided as an accommodation to the bank's wholesale customers?

- C. Are the loans made only infrequently to the limited purpose bank's customers?
  - D. Does only an insignificant portion of the bank's total assets and income result from the other lending?
  - E. How significant a role does the bank play in providing that type of loan(s) in the bank's assessment area(s)?
  - F. Does the bank hold itself out as offering that type of loan(s)?
  - G. Does the lending test or the community development test present a more accurate picture of the bank's CRA performance?
15. Loan Location - A loan is located as follows:
- A. A consumer loan is located in the geography where the borrower resides;
  - B. A home mortgage loan is located in the geography where the property to which the loan relates is located; and
  - C. A small business or small farm loan is located in the geography where the main business facility or farm is located or where the loan proceeds otherwise will be applied, as indicated by the borrower.
16. Loan Production Office - a staffed facility, other than a branch, that is open to the public and that provides lending related services, such as loan information and applications.
17. Metropolitan Division – a metropolitan division as defined by the Director of the Office of Management and Budget.
18. MSA - a metropolitan statistical area as defined by the Director of the Office of Management and Budget.
19. Non-Metropolitan Area – any area that is not located in a MSA.
20. Qualified Investment - a lawful investment, deposit, membership share, or grant (charitable contribution) that has as its primary purpose community development (defined above). Federal regulators will consider investments that were made prior to the current examination, but that are still outstanding when evaluating a bank's qualified investment record. Qualitative factors will affect the weighting given to both current period and outstanding prior period qualified investments. For example, a prior period outstanding investment with a multi-year impact that addresses assessment area community development needs may receive more consideration than a current period investment of a comparable amount that is less responsive to area community development needs. Examples of qualified investments include, but are not limited to, investments, grants, deposits or shares in or to:
- A. Financial intermediaries (including, Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), minority and women owned financial institutions, community loan funds and low income or community development credit unions that primarily lend or facilitate lending in low- or moderate-income areas or to low- and moderate-income individuals in order to promote community development, such as a CDFI that promotes economic development on an Indian reservation;
  - B. Organizations engaged in affordable housing rehabilitation and construction, including multifamily rental housing;

- C. Organizations, including for example, Small Business Investment Companies (SBICs), specialized SBICs, and Rural Business Investment Companies (RBICs) that promote economic development by financing small businesses;
- D. Facilities that promote community development in low- and moderate-income areas for low- and moderate-income individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers and alcohol and drug recovery centers;
- E. Projects eligible for low income housing tax credits;
- F. State and municipal obligations, such as revenue bonds, that specifically support affordable housing or other community development;
- G. Not for profit organizations serving low- and moderate-income housing or other community development needs, such as counseling for credit, home ownership, home maintenance and another financial services education; and
- H. Organizations supporting activities essential to the capacity of low- and moderate-income individuals or geographies to utilize credit or to sustain economic development (such as day care operations and job training programs that enable people to work).

Federal Home Loan Bank (FHLB) stocks or mortgage backed securities and municipal bonds are not qualified investments because they do not have as their primary purpose community development. Nonetheless, mortgage backed securities or municipal bonds designed primarily to finance community development are generally qualified investments. Municipal bonds or other securities with a primary purpose of community development need not be housing related. For example, a bond to fund a community facility or park or to provide sewage services as part of a plan to redevelop a low-income neighborhood is a qualified investment. Housing related bonds or securities must primarily address affordable housing (including multifamily rental housing) needs in order to qualify.

21. Small Bank - a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.384 billion. Intermediate small bank is a small bank with assets of at least \$346 million as of December 31 of both of the prior two calendar years and less than \$1.384 billion as of December 31 of either of the prior two calendar years.

The asset size thresholds for "small banks" and "intermediate small banks" is adjusted annually based on changes to the Consumer Price Index. More specifically, the dollar thresholds is adjusted annually based on the year to year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted for each twelve-month period ending in November, with rounding to the nearest million. Any change in the asset size thresholds is published in the Federal Register.

22. Small Business Loan - a loan included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). In general, a loan to a nonprofit organization, for business or farm purposes, when the loan is secured by non-farm nonresidential property and the original amount of the loan is \$1 million or less, if a business loan, or \$500,000 or less, if a farm loan, would be reported in the Call Report as a small business or small farm loan. If a loan to a nonprofit organization is reportable as a small business or small farm loan, it cannot also be considered as a community development loan, except by a wholesale or limited purpose bank. Loans to nonprofit organizations that are not small business or small farm loans for Call Report purposes may be considered as community development loans if they meet the regulatory definition.

Credit cards issued to a small business or to individuals to be used with a bank's knowledge as business accounts are considered small business loans if they meet the definitional requirements in the Call Report.



23. Small Farm Loan - a loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report).
24. Wholesale Bank - a bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect. However, a wholesale bank may make some retail loans without losing its wholesale designation. Federal regulators consider the following factors in determining whether a bank is in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers:
  - A. The bank holds itself out to the retail public as providing such loans; and
  - B. The bank's revenues from extending such loans are significant when compared to its overall operations.

### RATINGS DEFINED AND EXPLAINED

In assigning a rating, federal regulators evaluate a bank's performance under the applicable performance criteria, which provides for adjustments on the basis of evidence of discriminatory or other illegal credit practices.

A bank's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. A bank's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate rating profile as follows.

### SMALL BANK LENDING TEST PERFORMANCE RATINGS

1. Satisfactory - A small bank's performance would be considered “satisfactory” when it demonstrates:
  - A. A reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area(s), and taking into account, as appropriate, other lending related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments;
  - B. A majority of its loans and, as appropriate, other lending-related activities, are in its assessment area;
  - C. A distribution of loans to and, as appropriate, other lending related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes that is reasonable given the demographics of the bank's assessment area(s);
  - D. A record of taking appropriate action, when warranted, in response to written complaints, if any, about the bank's performance in helping to meet the credit needs of its assessment area(s); and
  - E. A reasonable geographic distribution of loans given the bank's assessment area(s).
2. Outstanding - A small bank that meets each of the standards for a “satisfactory” rating and exceeds some or all of those standards may warrant consideration for a test rating of “outstanding.”
3. Needs to Improve or Substantial Noncompliance - A small bank may also receive a test rating of “needs to improve” or “substantial noncompliance” depending on the degree to which its performance has failed to meet the standard for a “satisfactory” rating.

### INTERMEDIATE SMALL BANK COMMUNITY DEVELOPMENT TEST RATINGS



1. Outstanding - An intermediate small bank's performance would be considered "outstanding" when it demonstrates excellent responsiveness to community development needs in its assessment area(s) through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area(s).
2. Satisfactory - An intermediate small bank's performance would be considered "satisfactory" when it demonstrates adequate responsiveness to the community development needs of its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s) through community development loans, qualified investments, and community development services. The adequacy of the bank's response will depend on its capacity for such community development activities, its assessment area's need for such community development activities, and the availability of such opportunities for community development in the bank's assessment area(s).
3. Needs to Improve or Substantial Noncompliance - An intermediate small bank's performance would be considered "needs to improve" or "substantial noncompliance" depending on the degree to which its performance has failed to meet the standards for a "satisfactory" rating.
4. Overall Rating
  - A. Outstanding - An intermediate small bank that receives an "outstanding" rating on one test and at least "satisfactory" on the other test may receive an assigned overall rating of "outstanding."
  - B. Satisfactory - No intermediate small bank may receive an assigned overall rating of "satisfactory" unless it receives a rating of at least "satisfactory" on both the lending test and the community development test.
  - C. A small bank that is not an intermediate small bank that meets each of the standards for a "satisfactory" rating under the lending test and exceeds some or all of those standards may warrant consideration for an overall rating of "outstanding." In assessing whether a bank's performance is "outstanding," federal regulators considers the extent to which the bank exceeds each of the performance standards for a "satisfactory" rating and its performance in making qualified investments and its performance in providing branches and other services and delivery systems that enhance credit availability in its assessment area(s).
  - D. Needs to Improve or Substantial Noncompliance - A small intermediate bank may also receive a rating of "needs to improve" or "substantial noncompliance" depending on the degree to which its performance has failed to meet the standards for a "satisfactory" rating.

It is the purpose of Rosedale Federal Savings & Loan Association ("Rosedale Federal" or "Association") to serve the convenience and needs of its depositors and community. As well as deposit services, the Association has an affirmative objective in helping to meet legitimate credit needs of the community on a nondiscriminatory basis.

Rosedale Federal considers its community to include the following Central Maryland counties within the Baltimore-Columbia-Towson Metropolitan Statistical Area (MSA): Baltimore City, and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties and all their census tracts. Delineation of this community of the Association does not mean that no loans will be made outside the area but means that a majority of the Association's loans will be made within the described community.

Management of the Association shall endeavor to understand clearly the borrower's needs and attempt to meet them soundly within the framework of our loan policy. In the business of lending money, we are concerned with credit worthiness and credit usage and we shall not permit discrimination of any kind with respect to the borrower's race, creed, age, color, religion, national origin, marital status or sex. It is also our goal to establish such standards of credit and of lending performance that our lending personnel be leaders in the field of bank credits and bank loan services.

To accomplish this objective, Rosedale Federal will solicit and originate loans through advertising within our communities, real estate agents and brokers. The processing and evaluation of loan applications, the origination and approval of loans, and the underlying terms and conditions of each loan will be in strict accordance with all applicable statutes and regulations, including those set forth under the Community Reinvestment Act of 1977 and the fair lending laws and regulations, and will be predicated upon safe and sound lending practices consistent with economical financing.

Rosedale Federal offers loan and deposit products and services typical to a traditional community bank, concentrating primarily on residential mortgage lending and consumer deposit accounts. The Association originates or purchases loans to hold in its portfolio. Lending products include home mortgages, home equity loans and lines-of credit, commercial real estate, and consumer loans. Consumer deposit related products include checking and savings accounts, certificates of deposit ("CDs"), individual retirement accounts ("IRAs"), and money market accounts. The Association also provides online and mobile banking services to its customers. These services enable customers to pay bills, make transfers, check account balances and make deposits.

Under the Federal Community Reinvestment Act (CRA), the Comptroller of the Currency evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The Comptroller also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the Comptroller; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the Comptroller publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Deputy Comptroller at: Deputy Comptroller, Northeastern District, Office of the Comptroller of the Currency, 340 Madison Avenue, Fifth Floor, New York, NY 10173-0002

You may send written comments about our performance in helping to meet community credit needs to: CRA Officer, Rosedale Federal Savings and Loan Association, 9616 Belair Road, Baltimore, Maryland 21236; and: Deputy Comptroller, Northeastern District, Office of the Comptroller of the Currency, 340 Madison Avenue, Fifth Floor, New York, NY 10173-0002

Your letter, together with any response by us, will be considered by the Comptroller in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the Deputy Comptroller. You may also request from the Deputy Comptroller an announcement of our applications covered by the CRA filed with the Comptroller.



Your neighbor.  
Your guide.  
Your bank.

# **COMMUNITY REINVESTMENT ACT**

## **ASSESSMENT AREA**

Rosedale Federal's CRA assessment area consists of the following counties within the Baltimore-Columbia-Towson Metropolitan Statistical Area (MSA)- MSA/MD 12580: Baltimore City, and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as depicted on the map below.



**MSA/MD: 12580 - BALTIMORE-COLUMBIA-TOWSON, MD**  
**State: 24 - MARYLAND (MD)**

**County: 003 - ANNE ARUNDEL COUNTY**  
**County: 005 – BALTIMORE COUNTY**  
**County: 013 - CARROLL COUNTY**  
**County: 025 – HARFORD COUNTY**  
**County: 027 – HOWARD COUNTY**  
**County: 510 – BALTIMORE CITY**

Census tracts for the above counties within the 12580 MSA are included in the Associations Assessment Area. A complete listing of census tracts is included in the FFEIC demographic data for 2019 file named: AA1 – Census Tracts.



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# **COMMUNITY REINVESTMENT ACT**

## **PERFORMANCE EVALUATION**



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

August 31, 2020

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rosedale FS & LA  
Charter Number: 703758

9616 Belair Rd., Baltimore, MD 21236-1104

Office of the Comptroller of the Currency

400 7th Street S.W., Washington, DC 20291

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.



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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding**.

**The Lending Test is rated: Outstanding.**

**The Community Development Test is rated: Satisfactory.**

The major factors that support this rating include:

The Lending Test rating is based on the bank's record of performance in meeting the credit needs of its assessment area (AA) during the evaluation period through its lending activities.

- The bank's loan-to-deposit (LTD) ratio is more than reasonable, given the bank's size, financial condition, and business strategy;
- The bank originated a substantial majority of its loans within its AA;
- The bank exhibits reasonable geographic distribution of loans in the AA;
- The bank exhibits excellent distribution of loans to borrowers of different incomes given the product lines offered by the bank;

The Community Development (CD) Test rating is based on the aggregate assessment of the bank's community development activities for loans, investments, and services in the bank's AA.

- The bank's CD activities demonstrate an adequate level of responsiveness to CD needs in the AA.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

Rosedale's quarterly average net LTD ratio over the 12-quarter review period was 95.6 percent. The ratio ranged from a quarterly low of 88.8 percent as of December 31, 2017, to a quarterly high of 100 percent as of June 30, 2020. The ratio is calculated on a bank-wide basis. The quarterly average net LTD ratio for a custom peer group of five similarly situated institutions with assets ranging from \$418.3 million to \$1.8 billion and located in the same MSA was 94 percent over the same period. The peer group's ratio ranged from a quarterly low average of 85.6 percent to a quarterly high average of 100.1 percent during that time period.

### Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA.

The bank originated and purchased 93.1 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The findings from this analysis had a positive effect on the overall analysis of the geographic distribution of lending by income level of geography.

**Table D - Lending Inside and Outside of the Assessment Area**

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total  #	Dollar Amount of Loans \$(000s)				Total  \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	672	93.1	50	6.9	722	175,021	91.5	16,190	8.5	191,211
Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data Due to rounding, totals may not equal 100.0										

## Description of Institution

Rosedale Federal Savings & Loan Association (Rosedale, bank, or institution) is a federally chartered mutual savings bank headquartered in Baltimore County, Maryland (MD). Since the previous evaluation, the bank acquired and merged Midstate Community Bank, Baltimore, MD into its operations. This merger was completed on October 06, 2017. The bank has one AA located within the Baltimore-Columbia-Towson, MD Metropolitan Statistical Area (MSA) 12580. The AA includes the counties of Anne Arundel, Baltimore, Carroll, Harford, Howard, Queen Anne's, and Baltimore City. The AA is unchanged from the prior CRA evaluation.

As of the evaluation date, the bank operates a network of nine full-service branches, in addition to the corporate office. Six branches are in Baltimore County and three are in Harford County. Of the branches, two offices are in moderate-income geographies; four offices are in middle-income geographies; and three branches are in upper-income geographies. There are no branches located in low-income geographies. During the evaluation period, the bank opened one branch in a moderate-income geography and closed one branch in a middle-income geography. The bank also acquired one branch in a middle-income geography through the Midstate merger. The opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.

The bank concentrates on the origination and purchase of residential mortgage loans to hold in the loan portfolio. As of the December 31, 2019, Consolidated Reports of Condition and Income (call report), the bank had tier 1 capital of \$246 million, total assets of \$973.4 million, and a net loan portfolio of approximately \$714.4 million representing 73.4 percent of total assets. Total deposits were \$724.6 million, or 74.5 percent of total assets. The loan portfolio consisted of approximately 61 percent residential real estate mortgages, followed by 37.9 percent commercial real estate loans, and less than one percent home equity lines of credit and home equity loans.

The bank offers a variety of credit and deposit services to businesses and consumers. Lending products include home mortgages, home equity loans and lines of credit, commercial real estate, and consumer loans. Deposit products include certificates of deposit, individual retirement accounts, money market, and various checking and savings accounts for individuals and businesses. Alternative banking services include night depository services, direct deposit, automated teller machines (ATMs), electronic statements, internet banking and mobile banking. Branch hours of operations are comparable to other local financial institutions. Business hours do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. The bank's website, <https://www.rosedalefederal.com>, provides additional information on its services.

There are no financial or legal impediments to hinder the bank's ability to help meet the credit needs of the communities it services. The bank received an overall rating of "Outstanding" at the previous Intermediate Small Bank (ISB) CRA Performance Evaluation dated July 3, 2017.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

Rosedale was evaluated under the ISB examination procedures. These procedures evaluate the bank's performance based on a Lending Test and a CD Test. The Lending Test considers the bank's performance pursuant to the following criteria: Loan-to-Deposit Ratio Analysis; AA Concentration; Geographic Distribution; Borrower Distribution; and Response to CRA Complaints. The CD Test evaluates the bank's responsiveness to CD needs in its AA through CD lending, qualified investments, and CD services.

The evaluation period for the Lending Test is from January 1, 2017 to December 31, 2019. Based on the volume of originations and purchases during the evaluation period, home mortgage loans are the bank's primary loan product. The bank is a Home Mortgage Disclosure Act (HMDA) reporter; therefore, the OCC considered all home mortgage loans reported on the bank's 2017, 2018, and 2019 HMDA Loan Application Registers (LARs). The HMDA data was tested and found to be reliable. For the CD Test, the OCC evaluated the bank's CD activities from July 3, 2017, the date of the last CRA evaluation, through December 31, 2019. The OCC also reviewed the integrity of the bank's CD activities to ensure these activities qualify for credit under the CRA regulation. No affiliate activity was included in this analysis.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact the coronavirus pandemic has had on economies across the United States are not addressed in this evaluation. Bank qualifying activities will be appropriately considered in the subsequent evaluation.

Refer to the table in Appendix A for more information on the scope of review.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank's overall rating is based solely on its performance in the State of Maryland.

## Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Maryland

#### CRA rating for the State of Maryland Outstanding

**The Lending Test is rated: Outstanding**

**The Community Development Test is rated: Satisfactory**

The major factors that support this rating include:

- The bank exhibits reasonable geographic distribution of loans in the AA;
- The bank exhibits excellent distribution of loans to borrowers of different incomes given the product lines offered by the bank;
- The bank's CD activities demonstrate adequate responsiveness to the credit needs of its AA through CD loans, donations, investments, and services.

### Description of Institution's Operations in Maryland

The bank operates only in the state of Maryland. The bank provides products and services in the state of Maryland through its corporate office and nine branches and nine deposit-taking ATMs. There have been no changes to the bank's AA since the previous evaluation. The AA is contiguous, meets the requirements of the CRA regulation, and does not arbitrarily exclude LMI census tracts.

As discussed in the Description of the Institution, during the evaluation period, home mortgage lending was the bank's primary lending focus in the AA. There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the bank's AA. According to the most recent 2019 Peer Mortgage Data, there were 691 HMDA reporters who originated or purchased \$45.7 billion home mortgage loans within the bank's AA. The bank ranked 86<sup>th</sup> with a market share of

0.2 percent. The top five lenders were Wells Fargo Bank N.A., Bank of America, N.A., PennyMac Loan Services LLC, SECU Credit Union, and SunTrust Bank, Inc. who hold a combined market share of 19.6 percent in the AA.

The AA is a competitive market for financial services. According to the June 30, 2019 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, there were 49 financial institutions within the bank's AA that operated 666 full-service branches with aggregate deposits of \$74.3 billion. Of these institutions, Rosedale ranked 13<sup>th</sup> with a one percent deposit market share. The largest competitors within the AA were Bank of America, N.A. with 29.6 percent market share, Manufacturers & Traders Trust Company with 19.3 percent market share, PNC Bank, N.A. with 10.2 percent market share, and Wells Fargo Bank, N.A. with 9.5 percent market share.

Data obtained from the U.S. Bureau of Labor Statistics indicates that as of December 31, 2019, the unemployment rate for Baltimore-Columbia-Towson, MD MSA was 3 percent, which is slightly lower than the 2019 state average of 3.4 percent and the national average of 3.5 percent.

Baltimore is a center of education, with well-known and prestigious colleges, universities and medical schools, and operates a major east coast port. Major sectors of employment include law, finance; health, medicine and biosciences; leisure and hospitality; retail and entertainment; shipbuilding and maritime commerce; electronics, telecommunications, information technology, and aerospace research, and; city and federal government.

According to April 2020 economic information from Moody's Analytics, Baltimore-Columbia-Towson's economy appears to have started 2020 with positive momentum, but a look under the hood suggests celebration would be premature as efforts to contain the COVID-19 outbreak have brought the economy to its knees. Mortgage rates are down since the start of the year, but fewer people will qualify for the best rates as banks tighten their lending standards and set aside loan loss reserves in anticipation of defaults. The consequences of containment efforts and uncertainty surrounding COVID-19 may contribute to a 50 percent drop in single-family housing starts in the second quarter. Multifamily will also suffer as builders rethink their plans for urban development in a recession caused by a pandemic.

Despite grim near-term prospects, Baltimore boasts some key structural advantages that will buoy its economy during the recovery. While the collapse in foreign trade and travel will be a liability in the short run, the symbiotic relationship created by the Port of Baltimore together with the transportation network around Baltimore-Washington International Thurgood Marshall Airport will help maintain Baltimore's prominence as a distribution center. A world-class healthcare industry will also ensure that this part of the economy rebounds faster than those of its peers.

Moody's Analytics reports that Baltimore-Columbia-Towson's economy will contract sharply as policies to flatten the curve of infections generate losses that are worse than those in the global financial crisis. Few industries will be left unscathed from falling business and consumer spending, but the metro area will fare better than most of its peers given less exposure to tourism and a sturdier healthcare base.

There are many opportunities available for banks to address CD and credit needs in the area. The area is served by several Community Development Financial Institutions (CDFIs), CD entities, and nonprofit entities. Information from three existing community contacts from organizations serving the bank's AA was considered for this evaluation. The identified community needs in the AA included affordable housing, small business lending, support for revitalization and stabilization activities and better access to traditional banking services.

The table below, which is based on 2015 American Community Survey (ACS) census data, presents certain demographic characteristics of the bank's AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Rosedale AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	683	13.0	22.5	33.4	28.7	2.3
Population by Geography	2,769,818	9.0	22.0	35.3	32.8	0.8
Housing Units by Geography	1,145,512	10.7	22.9	35.5	30.6	0.3
Owner-Occupied Units by Geography	687,555	4.9	17.3	38.2	39.5	0.1
Occupied Rental Units by Geography	348,757	16.6	32.8	32.9	17.1	0.5
Vacant Units by Geography	109,200	28.2	26.7	26.7	17.6	0.8
Businesses by Geography	186,057	5.1	15.4	38.2	40.5	0.8
Farms by Geography	4,313	1.2	11.2	39.2	48.4	0.1
Family Distribution by Income Level	675,620	22.3	17.0	19.8	40.8	0.0
Household Distribution by Income Level	1,036,312	25.1	15.4	17.4	42.2	0.0
Median Family Income MSA - 12580 Baltimore-Columbia-Towson, MD MSA		\$87,788	Median Housing Value			\$272,723
			Median Gross Rent			\$1,181
			Families Below Poverty Level			7.6%
Source: 2015 ACS Census and 2018 D&B Data; Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

The AA has a relatively high cost of housing that impedes homeownership for LMI individuals and families. The table below illustrates housing affordability calculations for the MSA. The monthly mortgage payment calculations assume a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2019 FFIEC adjusted median family income in the MSA. As the table illustrates, both low- and moderate-income borrowers would be challenged to afford the median home price.

<b>2019 Housing Affordability</b>									
<b>MD/MSA Name</b>	<b>2019 Updated MFI</b>	<b>Maximum Low- Income Annual Income</b>	<b>Maximum Affordable Mortgage Amount</b>	<b>Maximum Monthly Mortgage Payment</b>	<b>Maximum Moderate- Income Annual Income</b>	<b>Maximum Affordable Mortgage Amount</b>	<b>Maximum Monthly Mortgage Payment</b>	<b>2019 Median Home Sales Price*</b>	<b>Mortgage Payment Based on Sales Price</b>
MSA 12580	101,000	50,500	235,181	1,263	80,800	376,289	2,020	413,050	2,217

\*Source – National Association of Realtors 2019 median home sales price of existing single-family homes for Metropolitan Areas.



## Scope of Evaluation in Maryland

Examiners completed a full-scope review of the bank's only AA located within the Baltimore-Columbia-Towson, MD MSA 12580. All of the bank's branches are located in the state of Maryland.

The bank's primary loan product was home mortgage loans which is reflective of the bank's business strategy during the evaluation period.

Refer to the table in appendix A, Scope of Examination, for a list of this full-scope AA.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MARYLAND

### LENDING TEST

The bank's performance under the Lending Test in Maryland is rated Outstanding.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Maryland is excellent. The geographic distribution of mortgage loans in the AA is reasonable. The distribution of mortgage loans by income level of the borrower is excellent.

### Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

#### *Home Mortgage Loans*

Refer to Table O in the state of Maryland section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Based on the data in the tables and considering the performance context factors discussed above, the overall geographic distribution of home mortgage loans is reasonable.

The bank's percentage of home mortgage lending in low-income geographies was below the percentage of owner-occupied housing units in low-income geographies and somewhat near to the aggregate performance. The bank originated or purchased 2.4 percent of home mortgage loans in low-income geographies, compared to 4.9 percent of owner-occupied housing units located within the low-income geographies. The aggregate originated or purchased 2.9 percent home mortgage loans in low-income geographies.

The bank's percentage of home mortgage lending in moderate-income geographies was less than the percentage of owner-occupied housing units in moderate-income geographies but was comparable to the aggregate lending. The bank originated or purchased 14.9 percent of home mortgage loans in moderate-income geographies. The aggregate originated or purchased 15 percent home mortgage loans in moderate-income geographies, while 17.3 percent of the AA's owner-occupied units were located within moderate-income geographies.

The following table illustrates the significant competition in low- and moderate- income geographies, where the top five lenders represent a quarter of \$385.4 million in low-income and \$2.7 billion in moderate-income lending activity.

<b>2019 HMDA Market Share Data</b>					
<b>Assessment Area: Rosedale FS &amp; LA AA</b>					
<b>Low-Income Geographies</b>			<b>Moderate-Income Geographies</b>		
Bank	Rank	% Market Share	Bank	Rank	% Market Share
<b>Rosedale FS &amp; LA</b>	51	0.4	<b>Rosedale FS &amp; LA</b>	94	0.2
Wells Fargo Bank	1	5.8	Wells Fargo Bank NA	1	5.5
US Bank NA	2	5.2	PennyMac Loan Services LLC	2	4.6
PennyMac Loan Services LLC	3	4.8	US Bank NA	3	3.9
First Home Mortgage	4	3.5	Quicken Loans	4	3.2
M & T Bank	5	2.1	First Home Mortgage	5	3.0
Total Lenders	263			416	

### ***Lending Gap Analysis***

The OCC reviewed summary reports and maps and analyzed the bank's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of loans to individuals of different income levels, given the product lines offered by the bank.

### ***Home Mortgage Loans***

Refer to Table P in the state of Maryland section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Based on the data in the tables and considering the performance context factors discussed above the overall borrower distribution of home mortgage loans is excellent.

The bank originated or purchased 13.2 percent of home mortgage loans to low-income borrowers, while 22.3 percent of families in the AA were low-income. While this performance was below the demographic data, it significantly exceeded the aggregate lending performance of 8.8 percent. Within the AA, 7.6 percent of households are below the poverty level and may find it difficult to qualify for a home loan.

The percentage of mortgage lending to moderate-income borrowers exceeded the percentage of moderate-income families and was slightly below the aggregate performance. The bank originated or purchased 17.9 percent of home mortgage loans to moderate-income borrowers compared to 17 percent of moderate-income families in the AA. The aggregate originated or purchased approximately 18.7 percent of home loans to moderate-income borrowers.

### *Flexible Lending Programs*

During the evaluation period, the bank offered several flexible affordable mortgage products to assist LMI individuals in obtaining homeownership. Many of these loan programs are available through partnerships with local and state government agencies. The bank originated thirty-nine (39) loans totaling \$5.4 million under these programs resulting in \$189,934 in grants to the borrowers. Loans originated under these programs are included in the bank's home mortgage loans. Following is a list of loan programs that were available during the evaluation period:

<b>Loan Program</b>	<b>No. of Loans</b>	<b>No. of Grants</b>	<b>\$ Amount of Grant Money</b>	<b>\$ Amount of Loans</b>
Habitat for Humanity Susquehanna Homeownership Program	5	-	-	752,159
Habitat for Humanity Chesapeake Homeownership Program	15	6	55,934	1,810,500
Baltimore County Settlement Expense Loan Program (SELP)	-	6	60,000	-
FHLB of Atlanta Affordable Housing Program	-	9	52,500	-
HOME Funds (Harford County Home Investment Partnership Program)	-	3	16,500	-
Maryland Department of Housing and Community Development (Maryland DHCD)	-	1	5,000	-
Rosedale First Time Homebuyers Program	19	0	-	2,799,853
<b>Total</b>	<b>39</b>	<b>25</b>	<b>189,934</b>	<b>5,362,512</b>

### **Responses to Complaints**

There were no consumer complaints regarding the bank's CRA performance or complaints indicating illegal or discriminatory lending practices during the evaluation period.

### **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in the state of Maryland is rated Satisfactory.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

### **Number and Amount of Community Development Loans**

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Rosedale AA	2	100	2,000	100

During the evaluation period, the bank renewed two revolving lines of credit totaling \$2 million, which represented 0.8 percent of the bank's tier 1 capital and 0.3 percent of deposits as of December 31, 2019. The loans provided affordable housing for LMI individuals, which is responsive to the critical need of affordable housing for LMI individuals in the AA. The bank's CD loans include:

- A \$1 million line of credit to fund costs associated with the acquisition and rehabilitation of affordable housing to a global nonprofit organization which makes homeownership affordable to low-income families through their sweat equity and that of volunteers in building the homes.
- A \$1 million line of credit to a nonprofit organization whose mission is to create and support equal housing opportunities for LMI people, primarily in Baltimore City, and to encourage and support strong and diverse neighborhoods.

### Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investments, including prior period investments that are still outstanding as of the evaluation date.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Rosedale AA	1	257	120	903	121	100	1,160	100	0	0

\* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The bank's level of qualified investments and charitable contributions demonstrate adequate responsiveness to the CD needs in the AA. The bank's current and prior period investments, including grants and donations, totaled \$1.2 million, representing 0.5 percent of tier 1 capital. These investments were responsive to the AA's critical need for affordable housing and revitalizing and stabilizing LMI communities.

#### *Prior Period Investments*

The bank renewed a certificate of deposit (CD) at a minority-owned financial institution headquartered in Baltimore, Maryland. The current book value of the CD is approximately \$256,970.

#### *New Investments*

During the review period, the bank made one new investment that benefitted the AA. The bank committed a total of \$503,838 in a Small Business Administration (SBA) Loan Fund. This fund

purchases the federally guaranteed portion of SBA 7(a) loans. The fund's mission is to promote economic development by supporting permanent job creation, retention, and/or improvement in LMI geographies or in areas targeted for redevelopment by federal, state, local or tribal governments, or by supporting permanent job creation, retention, and/or improvement for persons who are currently LMI. The project funded a hotel located in a moderate-income geography in Baltimore City that employs LMI workers.

Additionally, the bank provided 119 charitable contributions totaling \$399,123 to organizations that promote housing and community development, primarily for LMI areas and/or to LMI individuals, within the bank's AA.

### **Extent to Which the Bank Provides Community Development Services**

The bank exhibits adequate responsiveness to CD service needs in the state.

The bank's executives and employees participated in various CD services that demonstrated adequate responsiveness to the needs of its AA by providing financial and technical expertise to qualified CD organizations. During the evaluation period, twelve bank employees provided 299 community service hours to nine entities by participating in various community development services. Bank staff used their financial expertise by serving on the board and loan committees, as well as assisted in fundraising opportunities. In addition, during the evaluation period, the bank hosted LMI first-time homebuyer workshops and made its facility available to a community-based nonprofit organization in the bank's AA at no expense to the organization.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2017 to 12/31/2019 (Lending Test) 07/03/2017 to 12/31/2019 (CD Test)	
<b>Bank Products Reviewed:</b>	Home mortgage loans CD loans, qualified investments, and CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
State of Maryland	Full-Scope	Anne Arundel, Baltimore, Carroll, Harford, Howard, Queen Anne’s counties and Baltimore City.

## Appendix B: Summary of MMSA and State Ratings

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RATINGS      Rosedale FS & LA			
	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/ Multistate Rating</b>
<b>Overall Bank:</b>			
Rosedale FS & LA	Outstanding	Satisfactory	Outstanding
<b>State:</b>			
Maryland	Outstanding	Satisfactory	Outstanding

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.



**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Rosedale AA	672	175,021	100.0	107,195	4.9	2.4	2.9	17.3	14.9	15.0	38.2	38.5	39.7	39.5	44.2	42.3	0.1	0.0	0.1
<b>Total</b>	<b>672</b>	<b>175,021</b>	<b>100.0</b>	<b>107,195</b>	<b>4.9</b>	<b>2.4</b>	<b>2.9</b>	<b>17.3</b>	<b>14.9</b>	<b>15.0</b>	<b>38.2</b>	<b>38.5</b>	<b>39.7</b>	<b>39.5</b>	<b>44.2</b>	<b>42.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data.  
 Due to rounding, totals may not equal 100.0

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2017-19**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Rosedale AA	672	175,021	100.0	107,195	22.3	13.2	8.8	17.0	17.9	18.7	19.8	20.4	20.0	40.8	37.6	30.0	0.0	10.9	22.5
<b>Total</b>	<b>672</b>	<b>175,021</b>	<b>100.0</b>	<b>107,195</b>	<b>22.3</b>	<b>13.2</b>	<b>8.8</b>	<b>17.0</b>	<b>17.9</b>	<b>18.7</b>	<b>19.8</b>	<b>20.4</b>	<b>20.0</b>	<b>40.8</b>	<b>37.6</b>	<b>30.0</b>	<b>0.0</b>	<b>10.9</b>	<b>22.5</b>

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data.  
 Due to rounding, totals may not equal 100.0



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# **COMMUNITY REINVESTMENT ACT**

## **BRANCHES AND SERVICES**

**Rosedale Federal Savings and Loan  
Branches and Services**

<p style="text-align: center;"><b>Abingdon</b> 3106 Emmorton Road Abingdon, MD 21009 <a href="tel:410.569.5296">410.569.5296</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru ATM Coin Machine Mortgage Loan Officer (by appointment) Notary Services</p>	<p style="text-align: center;"><b>Arbutus</b> 5424 Carville Avenue Baltimore, MD 21227 <a href="tel:410.242.1910">410.242.1910</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Night Deposit Box Mortgage Loan Officer (by appointment) Notary Services</p>
<p style="text-align: center;"><b>Bel Air</b> 1009 E. Churchville Road Bel Air, MD 21014 <a href="tel:410.836.7555">410.836.7555</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru ATM Safe Deposit Boxes Mortgage Loan Officer (by appointment) Notary Services</p>	<p style="text-align: center;"><b>Dundalk</b> 1301 Merritt Boulevard Dundalk, MD 21222 <a href="tel:410.824.1175">410.824.1175</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24-hour deposit taking Drive-Thru and Walk-Up ATM Safe Deposit Box Mortgage Loan Officer (by appointment) Notary Services</p>
<p style="text-align: center;"><b>Forest Hill</b> 104 Forest Valley Drive Forest Hill, MD 21050 <a href="tel:410-838-8853">410-838-8853</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru ATM Mortgage Loan Officer (by appointment) Notary Services</p>	<p style="text-align: center;"><b>Overlea</b> 6708 Belair Road Baltimore, MD 21206 <a href="tel:410.668.1122">410.668.1122</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Walk-Up ATM Safe Deposit Box Mortgage Loan Officer (by appointment) Notary Services</p>
<p style="text-align: center;"><b>Parkville</b> 2001 East Joppa Road Baltimore, MD 21234 <a href="tel:410.661.1141">410.661.1141</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller Walk-Up ATM Night Deposit Box Mortgage Loan Officer (by appointment) Notary Services</p>	<p style="text-align: center;"><b>Pasadena</b> 3820 Mountain Road, Suite I Pasadena, MD 21122 <a href="tel:410.515.3135">410.515.3135</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Walk-Up ATM Night Deposit Box Mortgage Loan Officer (by appointment) Notary Services</p>



Rosedale Federal Savings and Loan  
Branches and Services

<p style="text-align: center;"><b>Perry Hall</b> 9616 Belair Road Baltimore, MD 21236 <a href="tel:410.256.5200">410.256.5200</a> <b>Hours:</b> Mon. - Wed. 9-5 Thurs. 9-6 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru ATM Safe Deposit Box Mortgage Loan Officer (by appointment) Notary Services</p>	<p style="text-align: center;"><b>Rosedale</b> 8552 Philadelphia Road Baltimore, MD 21237* <a href="tel:410.866.3000">410.866.3000</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru ATM Mortgage Loan Officer (by appointment) Notary Services *Mailing Address: P.O. Box 70188 Rosedale, MD 21237</p>
<p style="text-align: center;"><b>Timonium</b> 1730 York Road Timonium, MD 21093 <a href="tel:410.377.4330">410.377.4330</a> <b>Hours:</b> Mon. - Thur. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru and Walk-Up ATM Mortgage Loan Officer (by appointment) Notary Services</p>	<p style="text-align: center;"><b>Towson</b> 6810 York Road Baltimore, MD 21212 <a href="tel:410.377.4330">410.377.4330</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24-hour deposit taking Drive-Thru and Walk-Up ATM Mortgage Loan Officer (by appointment) Notary Services</p>
<p style="text-align: center;"><b>White Marsh</b> 7939 Honeygo Boulevard Nottingham, MD 21236 <a href="tel:410.931.6333">410.931.6333</a> <b>Hours:</b> Mon. - Thurs. 9-5 Fri. 9-6 Sat. 9-1 Drive-Thru Teller 24 Hour Deposit Taking Drive-Thru ATM Mortgage Loan Officer (by appointment) Notary Services</p>	

**Rosedale Federal Savings and Loan**  
**ATM Only Locations**

Walgreens 6301 York Road Baltimore, Maryland 21212	Walgreens 1927 Emmorton Road Bel Air, Maryland 21015
Walgreens 9616 Harford Road Baltimore, Maryland 21234	Walgreens 23 W. Timonium Road Timonium, Maryland 21093
Walgreens 939 York Road Townson, Maryland 21204	

FOR INTERNAL BANK USE ONLY. EFFECTIVE NOVEMBER 14, 2022

	Everyday Checking	Everyday Checkless Banking	Everyday Interest Checking	Christmas Club	Everyday Savings	Money Market
Minimum opening balance	\$25	\$25	\$250	\$1	\$10	\$2,500
Monthly balance requirement/ monthly service fee	No minimum balance requirement/ no monthly service fee	No minimum balance requirement/\$5 monthly fee	\$250/\$10 monthly fee if balance falls below minimum	No fee — \$1 minimum to earn interest	No fee — \$100 minimum to earn interest	\$2,500/\$20 monthly fee if balance falls below minimum — \$100 minimum balance to earn interest
Rosedale Federal debit card	Available free	Available free	Available free	N/A	N/A	N/A
Non-Rosedale Federal ATM surcharge rebate	Up to 4 per month	Up to 4 per month	Up to 4 per month	N/A	N/A	N/A
Statements/other	Monthly eStatement or mailed paper statement	Monthly eStatement or mailed paper statement	Monthly eStatement or mailed paper statement	Quarterly eStatement or mailed paper statement (unless there is an electronic transfer, which would trigger a monthly statement, just for the month of the transfer)	Quarterly eStatement or mailed paper statement (unless there is an electronic transfer, which would trigger a monthly statement, just for the month of the transfer)	Monthly eStatement or mailed paper statement
Interest paid	N/A	N/A	Based on balance tiers: 1. At least \$100, but less than \$2,500 2. At least \$2,500, but less than \$10,000 3. \$10,000 or more Interest will be compounded daily and will be credited to the account monthly — the interest rate at each tier will be paid on the entire balance in your account	Interest will be compounded daily and will be credited to the account at the end of the club term	Interest will be compounded daily and will be credited to the account monthly	Based on balance tiers: 1. At least \$100, but less than \$2,500 2. At least \$2,500, but less than \$10,000 3. At least \$10,000, but less than \$25,000 4. \$25,000 or more Interest will be compounded daily and will be credited to the account monthly — the interest rate at each tier will be paid on the entire balance in your account
Deposits/withdrawals	Unlimited	Unlimited	Unlimited	Unlimited deposits Withdrawals prior to end of club term will close account	Regulatory limit of 6 non-in-person withdrawals/transfers to third parties per month	Regulatory limit of 6 non-in-person withdrawals/transfers to third parties per month
Check writing	Unlimited	N/A	Unlimited	N/A	N/A	Limited — see above
Online and mobile banking	FREE	FREE	FREE	Balance inquiry/transfer in	FREE	FREE
Overdraft transfer protection	Optional	N/A	Optional	N/A	N/A	N/A
	Everyday CD	Bump-Up CD	Pick-Your-Term CD	Traditional IRA CD	Roth IRA	Coverdell ESA
Minimum to open	\$500	\$10,000	\$10,000	\$100	\$100	\$100
Terms available (months)	6, 12, 18, 24, 30, 36, 48, 60	24, 36, 48	13-17, 18-23	6, 12, 18, 24, 30, 36, 48, 60	6, 12, 18, 24, 30, 36, 48, 60	6, 12, 18, 24, 30, 36, 48, 60



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# Rosedale Federal Business Product Offerings



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	Everyday Business	Everyday Business Plus	Community Partnership	Business Relationship Account <sup>1</sup>	Business Savings	Business Money Market
<b>Minimum opening balance</b>	\$100	\$100	\$100	\$0	\$100	\$2,500
<b>Minimum balance to avoid fee/ monthly fee</b>	No minimum balance required/no monthly service fee	\$1,500/\$15 monthly fee if balance falls below minimum	\$2,500/\$10 monthly fee if balance falls below minimum	\$1,500/\$15 monthly fee if balance falls below minimum	\$100/\$5 monthly fee if balance falls below minimum	\$2,500/\$25 monthly fee if balance falls below minimum
<b>Interest paid</b>	No	Yes/Interest will be compounded daily and will be credited to the account monthly	No	No	Yes/Interest will be compounded daily and will be credited to the account monthly	Yes/Interest will be compounded daily and will be credited to the account monthly  Business Money Market Tiers: \$2,500-\$49,999; \$50,000-\$99,999; \$100,000-\$499,999; \$500,000 plus
<b>Minimum balance to earn interest</b>	N/A	\$1,500	N/A	N/A	\$100	\$2,500
<b>Monthly transactions</b>	150	400	750	150	Regulatory limit of 6 non-in-person withdrawals/transfers to third parties per month	Regulatory limit of 6 non-in-person withdrawals/transfers to third parties per month
<b>Additional transactions cost/per item</b>	\$.30	\$.30	\$.30	\$.30	N/A	N/A
<b>Check writing</b>	Unlimited	Unlimited	Unlimited	Unlimited	N/A	Limited
<b>Rosedale Federal debit card</b>	Available free	Available free	Available free	Available free	N/A	N/A
<b>Online and mobile banking</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Statements</b>	Monthly	Monthly	Monthly	Monthly	Quarterly <sup>2</sup>	Monthly

<sup>1</sup> Available for commercial operating accounts only. <sup>2</sup> Unless there is an electronic transfer, which would trigger a monthly statement, just for the month of the transfer.



ROSEDALE FEDERAL SAVINGS & LOAN DEPOSITS RATE SHEET

For Internal Bank Use Only

Federal Fund Rate as of: 10/2/2023 5.500%  
91-Day T-Bill Discount Rate as of: 9/29/2023 5.320%  
Prime Rate as of: 7/27/2023 8.500%

Rates in effect as of 9:00am

7/25/2023

CHECKING ACCOUNTS	APY <sup>1</sup>	Interest Rate	INT. MINIMUM BALANCE	Compounding Frequency	Int. Credit Frequency	Min. Bal. to Open
Everyday Interest Checking	0.00%	N/A	\$0	Daily	Month-end	\$25
(Tiered)	0.05%	0.050%	\$100			
* Minimum balance to avoid \$10 fee = \$250	0.05%	0.050%	\$2,500			
	0.05%	0.050%	\$10,000			
Senior Checking (no new accounts)	0.15%	0.150%	\$100	Daily	Month-end	N/A
* Minimum balance to avoid \$3 fee = \$300						
Everyday Checking	0.00%	N/A	N/A	N/A	N/A	\$25
IOLTA	0.10%	0.100%	\$100	Daily	Month-end	\$100
Everyday Business	0.00%	N/A	N/A	N/A	N/A	\$100
Everyday Business Plus (\$1,500 SC min.)	0.10%	0.100%	\$1,500	Daily	Month-end	\$100
Community Partnership (\$2,500 SC min.)	0.00%	N/A	N/A	N/A	N/A	\$100
Business Relationship Account (\$1,500 SC min.)	0.00%	N/A	N/A	N/A	N/A	\$100

SAVINGS ACCOUNTS (subject to Reg. D limits)	APY <sup>1</sup>	Interest Rate	INT. MINIMUM BALANCE	Compounding Frequency	Int. Credit Frequency	Min. Bal. to Open
Everyday Statement Savings	0.25%	0.250%	\$100	Daily	Month-end	\$10
Christmas Club	0.20%	0.200%	\$1	Daily	Early Oct.	\$1
Money Market	0.25%	0.250%	\$0.01	Daily	Month-end	\$2,500
(Tiered)	0.25%	0.250%	\$2,500			
* Minimum balance to avoid \$20 fee = \$2,500	0.25%	0.250%	\$10,000			
** Free special mini order of MMA checks	0.40%	0.399%	\$25,000			
*** Reg. D excessive withdrawals \$25	0.45%	0.449%	\$50,000			
	0.75%	0.747%	\$100,000			
	1.00%	0.995%	\$250,000			
	2.10%	2.078%	\$500,000			
	3.10%	3.053%	\$1,000,000			
	4.10%	4.018%	\$1,500,000			
Business Savings (min. to avoid \$5 sc = \$100)	0.10%	0.100%	\$100	Daily	Month-end	\$100
Business Money Market	0.00%	N/A	\$0	Daily	Month-end	\$2,500
(Tiered)	0.25%	0.250%	\$2,500			
* Minimum balance to avoid \$25 fee = \$2,500	0.40%	0.399%	\$25,000			
** Free special mini order of MMA checks	0.45%	0.449%	\$50,000			
*** Reg. D excessive withdrawals \$25	0.75%	0.747%	\$100,000			
	1.00%	0.995%	\$250,000			
	2.10%	2.078%	\$500,000			
	3.10%	3.053%	\$1,000,000			
	4.10%	4.018%	\$1,500,000			

CERTIFICATE PLANS <sup>1, 2</sup> (No stmts, no PBs)	APY <sup>1</sup>	Interest Rate	INT. MINIMUM	Compounding	Int. Credit	Penalty
6-Month	0.26%	0.260%	\$500	Daily	Month-end	90 days' interest
9-Month (no new accounts)	0.26%	0.260%	\$500	Daily	Month-end	
12-Month	4.15%	4.066%	\$500	Daily	Month-end	
13- to 17-Month	2.00%	1.980%	\$10,000	Daily	Month-end	180 days' interest
18-Month	2.35%	2.323%	\$500	Daily	Month-end	
19- to 23-Month	2.35%	2.323%	\$10,000	Daily	Month-end	
20-Month (no new accounts)	2.35%	2.323%	\$500	Daily	Month-end	
24-Month	2.50%	2.469%	\$500	Daily	Month-end	
24-Month (with bump-up <sup>3</sup> )	2.25%	2.225%	\$10,000	Daily	Month-end	
30-Month	2.50%	2.469%	\$500	Daily	Month-end	
36-Month	2.55%	2.518%	\$500	Daily	Month-end	
36-Month (with bump-up <sup>3</sup> )	2.30%	2.274%	\$10,000	Daily	Month-end	
48-Month	2.55%	2.518%	\$500	Daily	Month-end	
48-Month (with bump-up <sup>3</sup> )	2.30%	2.274%	\$10,000	Daily	Month-end	180 days' interest
60-Month	2.55%	2.518%	\$500	Daily	Month-end	
60-Month (with bump-up <sup>3</sup> )	2.30%	2.274%	\$10,000	Daily	Month-end	
RETIREMENT/ESA PLANS <sup>1, 2</sup>						
6-Month (Additions Allowed)	0.26%	0.260%	\$100	Daily	Month-end	90 days' interest
12-Month (Additions Allowed)	4.15%	4.066%	\$100	Daily	Month-end	
18-Month (Additions Allowed)	2.35%	2.323%	\$100	Daily	Month-end	
24-Month (Additions Allowed)	2.50%	2.469%	\$100	Daily	Month-end	180 days' interest
30-Month (Additions Allowed)	2.50%	2.469%	\$100	Daily	Month-end	
36-Month (Additions Allowed)	2.55%	2.518%	\$100	Daily	Month-end	
48-Month (Additions Allowed)	2.55%	2.518%	\$100	Daily	Month-end	
60-Month (Additions Allowed)	2.55%	2.518%	\$100	Daily	Month-end	
SPECIALS/PROMOTIONAL <sup>1, 2</sup> (NO IRAs)						
13-Month	5.15%	5.022%	\$25,000	Daily	Month-end	180 days' interest

Rates are subject to change at the sole discretion of Rosedale Federal Savings & Loan Association

<sup>1</sup> The Annual Percentage Yield ("APY") assumes interest will remain on deposit for one year. A withdrawal prior to maturity will reduce earnings. The APY is rounded to the nearest one-hundredth of one percent to assist consumers in comparing the rates of competing depository institutions [Reg. DD, Paragraph (f)(1)]. Annual percentage yields are calculated based on a 366-day year in a leap year.

<sup>2</sup> Early withdrawal penalty may be imposed.

<sup>3</sup> w/\$10,000 minimum balance, CD includes a one-time bump-up rate option.

New accounts closed within 180 days of opening may be charged a \$25 fee.

Discontinued all passbooks effective September 14, 2018. Certificates of Deposit do not receive statements nor passbooks.

NOTE: Investment decisions are the responsibility of the customer. The information provided is for general information only. It does not constitute professional advice. Customers should consult with their own professional adviser about any financial, tax, or legal issues they may have.

Refer to Rosedale Federal's Truth-in-Savings disclosures for terms, conditions, and fees associated with the accounts listed above.

Customers requesting more information must be given a "Truth in Savings" Disclosure.

# CONSUMER BANKING SERVICES AND FEES

Effective September 1, 2023

<b>ACTIVITY STATEMENT</b> (a.k.a. "history")	\$5.00	<b>OVERDRAFT TRANSFER FEE</b> (enrollment required; maximum one fee charged per day, per linked account)	
<b>ATM/DEBIT CARD</b>		Automatic transfer from linked deposit account	\$2.50
All ATM and POS transactions	FREE	Automatic transfer from linked line <sup>7</sup>	\$2.50
ATM surcharge	rebated monthly up to 4	<b>PERSONALIZED CHECKS<sup>6</sup></b>	price based on style
Replacement ATM/Debit Card	\$10.00	<b>RESEARCH</b>	
Expedited Delivery ATM/Debit Card	\$20.00	15-minute increments (1/2-hour minimum)	\$6.25
<b>CASHIER'S CHECK</b> (account holders only)		<b>REGULATED PLANS</b> (IRA and Coverdell ESA)	
Payable to an account holder	FREE	Annual Plan Administration	FREE
Payable to third parties	\$5.00	Trustee Transfer	FREE
Replacement (2 weeks to 90-day waiting period)	\$10.00	<b>RETURNS</b>	
<b>DEPOSIT ADJUSTMENT</b>	\$10.00	Returned deposited/cashed item (drawn by a 3 <sup>rd</sup> party)	\$10.00
<b>DIGITAL BANKING AND BILL PAYMENT</b>		Returned deposited/cashed item (drawn by account holder)	\$35.00
Financial Management/Budgeting Tool/Credit Monitoring	FREE	Returned international collection item	up to \$50.00
Gift Check <sup>6</sup>	\$2.99	Returned mail (per item)	\$3.00
Mobile deposits	FREE	Returned Safe Deposit Box rental	\$35.00
<b>DORMANT ACCOUNT<sup>1, 6</sup></b>	up to \$20.00	<b>SAFE DEPOSIT BOXES<sup>5</sup></b>	
<b>DUPLICATE FORMS AND DOCUMENTS</b>		Drilling	at cost
Check image in excess of 24 per year	\$2.00	Lost/duplicate key	\$30.00
Statement, tax form, plan, or other documents	\$5.00	Rental	price based on box size
<b>EARLY CLOSEOUT<sup>2, 6</sup></b>	\$25.00	<b>SAVINGS BOND REDEMPTION</b>	
<b>EXCESS TRANSACTION<sup>3</sup></b> (Savings & Money Market)	\$25.00	US Series E, I, or EE	FREE
<b>INTERNATIONAL ITEM NEGOTIATION</b>	price varies, contact branch	<b>STATEMENT RECONCILIATION</b> (1-hour minimum)	per hour \$25.00
Note: Please allow up to three weeks for provisional credit		<b>STOP PAYMENT</b>	
<b>LEGAL PROCESS</b>		ACH, electronic presentment revocation	FREE
Account subject to legal proceeding	\$100.00	Check <sup>6</sup> , draft via branch or Call Center staff	\$35.00
IRS audit confirmation – certified notice	\$10.00	Check <sup>6</sup> , draft self-serve via Digital Banking	FREE
Tax levy	\$100.00	Lost/stolen, unsigned/blank checks	FREE
Writ of Execution/Garnishment/Attachment	\$150.00	One-time ACH, electronic presentment	\$35.00
<b>NON-CUSTOMER ON-US CHECK CASHING<sup>6</sup></b>	\$10.00	Online Banking Bill Payment	FREE
<b>NON-SUFFICIENT FUNDS<sup>4, 6</sup></b>		<b>TELEPHONE TRANSFER</b>	\$10.00
ACH, check, draft, electronic presentment	\$35.00	<b>UNCOLLECTED FUNDS<sup>4, 6</sup></b>	
<b>NOTARY SERVICE</b>		ACH, check, draft, electronic presentment	\$35.00
Account holder	FREE	<b>VERIFICATION</b> (Deposit or Mortgage)	FREE
Non-customer	per original notarial act \$10.00	<b>WIRE TRANSFER</b> (account holders only)	
<b>OVERDRAFTED ACCOUNT<sup>4, 6</sup></b>		Incoming	FREE
ACH, check, draft, electronic presentment	\$35.00	Outgoing domestic	\$30.00

<sup>1</sup> As determined by Maryland law.

<sup>2</sup> If new savings, checking, or money market account is closed within 180 days.

<sup>3</sup> Applies to transactions in excess of monthly account limitations. Refer to Truth in Savings Disclosure.

<sup>4</sup> NSF/Overdraft fee will be charged per unique item, and not for each re-presentment, for covering NSF/overdrafts created by check or draft, in-person or ATM withdrawal, or other electronic means.

<sup>5</sup> Safe Deposit Boxes are not FDIC insured. Rental prices subject to change, contact branch for pricing.

<sup>6</sup> Service or Fee is not applicable to Everyday Checkless Banking Account.

<sup>7</sup> Credit limits and interest charges apply; subject to checking account eligibility.

Rosedale Federal reserves the right to limit quantities.

Visit us at [rosedalefederal.com](https://rosedalefederal.com) or call 410.668.4400

# BUSINESS BANKING SERVICES AND FEES

Effective September 1, 2023

## FREE SERVICES

- All ATM and POS transactions
- ATM surcharges are rebated monthly up to 4
- Cashier's Check payable to the account holder
- Digital Business Bill Pay, Check Positive Pay, and Mobile Deposits<sup>1</sup>
- RFSL ATM deposits (Rosedale Federal debit card required)
- Notary Service
- eStatements including imaged items
- Stop Payment:
  - ACH, electronic presentment revocation
  - Check, draft self-serve via digital banking
  - Lost/stolen, unsigned/blank checks
  - Digital Banking Bill Payment

## ACCOUNT FEES

<b>BUSINESS CHECKS</b>	at cost; price based on style	<b>RETURNS</b>	
<b>DEPOSIT ADJUSTMENT</b>	\$10.00	Returned deposited/cashed item (drawn by a 3rd party)	\$10.00
<b>EARLY CLOSEOUT<sup>2</sup></b>	\$25.00	Returned deposited/cashed item (drawn by account holder)	\$35.00
<b>EXCESS TRANSACTION<sup>3</sup></b> (Savings & Money Market)	\$25.00	Returned international collection item	up to \$50.00
<b>NON-SUFFICIENT/UNCOLLECTED FUNDS<sup>4</sup></b>		Returned mail (per item)	\$3.00
ACH, check, draft, electronic presentment	\$35.00	<b>STOP PAYMENT</b>	
<b>OVERDRAFTED ACCOUNT<sup>4</sup></b>		Check, draft via branch or customer service staff	\$35.00
ACH, check, draft, electronic presentment	\$35.00	Release of Stop Payment	\$5.00
		One-time ACH, electronic presentment	\$35.00

## OTHER ANCILLARY SERVICES

<b>ATM/DEBIT CARD</b>		<b>LEGAL PROCESS</b>	
Replacement ATM/Debit Card	\$10.00	Account subject to legal proceeding	\$100.00
Expedited Delivery ATM/Debit Card	\$20.00	IRS audit confirmation – certified notice	\$10.00
<b>CASHIER'S CHECK</b> (account holders only)		Tax levy	\$100.00
Payable to third parties	\$5.00	Writ of Execution/Garnishment/Attachment	\$150.00
Replacement (2 weeks to 90-day waiting period)	\$10.00	<b>MERCHANT SERVICES</b>	services vary; contact branch
<b>DIGITAL BANKING AND BILL PAYMENT</b>		<b>MERCHANT CAPTURE</b>	monthly \$40.00
Business Bill Pay Inactivity Fee	monthly after 6 months inactive \$10.00	<b>NIGHT/MAIL DROP/ATM DEPOSITORY SERVICES</b>	
Digital Invoicing/Bookkeeping Solutions	see product details	Bag purchase fee (zipper or locked)	at cost
Mobile Deposits (high volume/amount) <sup>1</sup>	monthly \$25.00	Night depository access key (issued, duplicate, replaced)	\$10.00
<b>DORMANT ACCOUNT<sup>5</sup></b>	up to \$20.00	<b>RESEARCH</b>	
<b>DUPLICATE FORMS AND DOCUMENTS</b>		15-minute increments (1/2 hour minimum)	\$6.25
Check image in excess of 24 per year	\$2.00	<b>STATEMENT SERVICES</b>	
Statement, tax form, or other documents	\$5.00	ACH Addenda report	per request \$5.00
<b>INTERNATIONAL ITEM NEGOTIATION</b>	price varies, contact branch	Activity Statement (a.k.a. "history")	\$5.00
Note: Please allow up to three weeks for provisional credit		Imaged Items paper statement (monthly fee)	\$5.00
		<b>WIRE TRANSFER (account holders only)</b>	
		Incoming	\$15.00
		Outgoing domestic	\$30.00

<sup>1</sup> Intended for low-volume check processing; refer to Merchant Capture for high-volume check processing. Contact branch for more details.

<sup>2</sup> If new savings, checking, or money market account is closed within 180 days.

<sup>3</sup> Applies to transactions in excess of monthly account limitations. Refer to Truth in Savings Disclosure.

<sup>4</sup> NSF/Overdraft fee will be charged per unique item, and not for each re-presentment, for covering NSF/overdrafts created by check or draft, in-person or ATM withdrawal, recurring POS, or other electronic means.

<sup>5</sup> As determined by Maryland law.

Rosedale Federal reserves the right to limit quantities.

Visit us at [rosedalefederal.com](https://rosedalefederal.com) or call 410.668.4400



Loan servicing stays  
right here.

We're mindful of your wallet and your time — and we never sell our loans.

We believe in fair pricing for the costs associated with home loans. For fixed-rate and adjustable-rate home purchases, we charge minimal fees. Our interest rates are always very competitive. And we consider any mortgage request of \$1 million or less to be a standard conventional loan, so buying a more expensive home may be more affordable.

We know that time is important to you and we don't want our process to slow yours down. So we strive for this: a target of 21 days to credit decision and 30 days to settlement once we receive a completed application. Faster process, faster funds.

Here's one more benefit that makes us different: Your loan will stay at Rosedale Federal, so you'll always enjoy the local service and peace of mind that comes from a bank that's part of your community.

Let's talk!

Now that you know your home lending experience can be personal, flexible, and timely, we invite you to stop by a branch or call 410.668.4400, Ext. 103. We'd love to set you up for an appointment with one of our loan officers. In the meantime, you can find loan details and current rates at [rosedalefederal.com](https://rosedalefederal.com). We look forward to meeting you and working toward a yes!



	21/30 Day Target (once completed application is received)	Loan Amount	Interest Rate (find current rates at <a href="https://rosedalefederal.com/loan-rates">rosedalefederal.com/loan-rates</a> )	Down Payment Required <sup>4</sup>	PMI (Private Mortgage Insurance) Required	Seller Contribution	Additional Notes
Mortgage or Refinance, Fixed Rate (1-4 dwellings)	21 days to credit decision/30 days to settlement <sup>1</sup>	Up to \$1 million	Standard conventional interest rate	As low as 3% with PMI approval	Yes	Flexible, no cap with 20% down	Primary home and secondary home
Mortgage or Refinance, Adjustable Rate (1-4 dwellings)	21 days to credit decision/30 days to settlement <sup>1</sup>	Up to \$1 million	Standard conventional interest rate <sup>3</sup>	As low as 3% with PMI approval	Yes	Flexible, no cap with 20% down	Primary home and secondary home
Jumbo Mortgage or Refinance, Fixed Rate (1-4 dwellings)	21 days to credit decision/30 days to settlement <sup>1</sup>	Over \$1 million (no set limits <sup>2</sup> )	Standard conventional interest rate plus an additional .25% of that rate	As low as 5% with PMI approval	Yes	Flexible, no cap with 20% down	Primary home and secondary home
Jumbo Mortgage or Refinance, Adjustable Rate (1-4 dwellings)	21 days to credit decision/30 days to settlement <sup>1</sup>	Over \$1 million (no set limits <sup>2</sup> )	Standard conventional interest rate plus an additional .25% of that rate <sup>3</sup>	As low as 5% up to \$850,000	Yes	Flexible, no cap with 20% down	Primary home and secondary home
First Time Home Buyer Mortgage, Fixed Rate	21 days to credit decision/30 days to settlement <sup>1</sup>	\$291,000 with a max sales price of \$300,000	Standard conventional interest rate	3%	No PMI required (HUD approved counseling required)	No cap	Primary home only (grants accepted, layering of grants allowed, income limits apply)
Construction to Permanent Mortgage, Fixed Rate	N/A	Up to 80% loan-to-value, otherwise no set limits <sup>2</sup>	Standard conventional interest rate	20% down based on appraised value	None	No cap	Purchase or refinance transaction, primary residence only, one settlement (first 12-month is the build period, interest-only payments)
Developed Lot Mortgage, Fixed Rate	N/A	Up to 75% loan-to-value, up to \$150,000	Standard conventional interest rate	25% down based on appraised value or purchase price whichever is less	None	No cap	Purchase transaction only
Secondary/Vacation Home Mortgage, Fixed Rate	21 days to credit decision/30 days to settlement <sup>1</sup>	Up to \$1 million	Standard conventional interest rate	As low as 3% with PMI approval	Yes	No cap	At least 50-mile radius or more from the primary home
Secondary/Vacation Home Mortgage, Adjustable Rate	21 days to credit decision/30 days to settlement <sup>1</sup>	Up to \$1 million	Standard conventional interest rate	As low as 3% with PMI approval	Yes	No cap	At least 50-mile radius or more from the primary home
Home Equity Line of Credit	21 days to credit decision/30 days to settlement <sup>1</sup>	\$250,000	LTV greater than 80%: Prime + 1.5% LTV 80% or less: Prime*	N/A	None	N/A	All closing costs paid for by Rosedale Federal*
Home Equity Fixed Rate Loan	21 days to credit decision/30 days to settlement <sup>1</sup>	\$500,000	Please call or visit our website at <a href="https://rosedalefederal.com">rosedalefederal.com</a> for rate information	Requires 20% available equity, including all liens	None	N/A	Rosedale Federal will pay for appraisal fee — limits apply

1 Once we receive a completed application.  
2 Subject to Federal lending limits.  
3 The annual percentage rate may increase  
after loan is closed.  
4 Additional credit requirements may apply.

\* Home Equity Line of Credit (HELOC) rates, terms, and conditions are subject to credit and property approval and may change without notice. Additional terms and conditions may apply. Eligible properties include first or second lien position owner-occupied 1-to-4-family properties and condominiums. Adequate property insurance is required, and flood insurance is required where necessary.  
Variable Annual Percentage rate (APR) is based on the U.S. Prime Rate as published in the "Money Rates" table on the third Wednesday of the month in The Wall Street Journal. For loan-to-value (LTV) of 80% or less, the applicable APR is equal to the Prime Rate, currently 7.50%. For LTVs more than 80%, the applicable APR is equal to the Prime Rate plus a margin of 1.5%, currently 9.00%. The maximum APR that can apply is 18.00% and the minimum APR that can apply is

3.00%. Advertised minimum credit score of 640 applicable to LTVs of 80% or less, for LTVs more than 80% minimum credit score of 660 required.  
To open an account, you must pay certain fees to third parties (closing costs) that we will pay on your behalf. These fees generally total between \$0.00 and \$2,273.00 based on a maximum loan amount of \$250,000. You will be required to repay all closing costs that we paid on your behalf to third parties if the HELOC is terminated by you during the first two (2) years after your account is established. Upon request, we will provide you with an itemization of these closing costs. While there are no application, annual, or closing fees; late fees and returned payment fees may be charged as applicable.

Effective: 9.29.23 Supersedes previous bulletin dated August 23, 2023

PRODUCT	TERM	MAX LTV	JUMBO AFTER	RATE	POINTS	APR/80% LTV	PER \$1,000
<b>FIXED RATE PURCHASE &amp; REFINANCE</b>	10 YRS	up to 97.00%*	\$ 1,000,000.00	6.625%	0.00%	6.923%	\$ 11.42
	15 YRS	up to 97.00%*	\$ 1,000,000.00	6.750%	0.00%	6.964%	\$ 8.85
	20 YRS	up to 97.00%*	\$ 1,000,000.00	7.250%	0.00%	7.427%	\$ 7.90
	30 YRS	up to 97.00%*	\$ 1,000,000.00	7.375%	0.50%	7.565%	\$ 6.91
	30 YRS	up to 97.00%*	\$ 1,000,000.00	7.500%	0.00%	7.640%	\$ 6.99
<b>FIRST TIME BUYER PURCHASE</b>	30 YRS	97.00%	\$ 300,000.00 (MAX LOAN AMOUNT)	7.250%	0.00%	7.360%	\$ 6.82
Rate is locked at time of application for 75 days.							
<b>ARM PURCHASE &amp; REFINANCE</b>	5/1	up to 97.00%*	\$ 1,000,000.00	7.000%	0.00%	7.864%	\$6.65 for 60 mos; \$7.42 for 300 mos;
	7/1	up to 97.00%*	\$ 1,000,000.00	7.125%	0.00%	7.724%	\$6.74 for 84 mos; \$7.32 for 276 mos
	10/1	up to 97.00%*	\$ 1,000,000.00	7.250%	0.00%	7.666%	\$6.82 for 120mos; \$7.29 for 240 mos.
Rate is locked at time of application for 75 days. Index = 1YR CMT; Margin = 2.75; Caps = 2/2/5							
<b>CONST/PERM</b>	FIXED RATES	up to 90.00%*	\$ 726,200.00	7.000%	0.50%	7.921%	\$ 8.99
		up to 90.00%*	\$ 726,200.00	7.375%	0.50%	8.154%	\$ 7.98
		up to 90.00%*	\$ 726,200.00	7.625%	0.50%	8.252%	\$ 7.08
	7/1 ARM RATES	up to 90.00%*	\$ 726,200.00	7.000%	0.50%	8.225%	\$6.65 for 72 mos; \$7.40 for 288 mos;
	10/1	up to 90.00%*	\$ 726,200.00	7.125%	0.50%	8.113%	\$6.74 for 108 mos; \$7.35 for 252 mos;
Rate is locked at time of application for 120 days. Interest only during 12 month construction term at Note rate converting to perm.							
<b>FIXED RATE HOME EQUITY</b>	10 YRS	80.00%	\$ 500,000.00	7.875%	0.50%	8.428%	\$ 12.07
	15 YRS	80.00%	\$ 500,000.00	8.125%	0.50%	8.528%	\$ 9.63
	20 YRS	80.00%	\$ 500,000.00	8.375%	0.50%	8.707%	\$ 8.60
Max LTV includes first lien balance.							
<b>HELOC</b>	10 YR	80.00%	\$ 250,000.00	8.500%	0.00%		
	DRAW / 20 YR REPAY	95.00%	(MAX LOAN)	10.000%	0.00%		
**Prime Rate as published in the Wall Street Journal on the third Wednesday of the previous month. ***Prime Rate plus 1.5% Prime rate as of 7/27/23.							
<b>DEVELOPED LOT PURCHASE ONLY</b>	5 YRS	75.00%	\$ 150,000.00 (MAX LOAN)	9.125%	1.00%	10.245%	\$ 20.82
	10 YRS	75.00%	\$ 150,000.00 (MAX LOAN)	9.375%	1.00%	9.994%	\$ 12.87
<b>PERSONAL UNSECURED</b>	12 MOS	NA	\$500 - \$1,100	15.00%	NA	15.00%	\$ 90.26
	24 MOS	NA	\$1,101 - \$5,000	15.00%	NA	15.00%	\$ 48.49

•LTVs in excess of 80% require Private Mortgage Insurance (PMI) at an additional cost to the borrower and are subject to the underwriting criteria set forth by the MI insurer in effect at the time the loan is submitted.

•\*Max LTV for purchase money = 97.00%; max LTV for refinance with no cash out = 97.00%; max LTV for refinance with cash out = 85.00%.

•Fees for appraisal for first mortgage applications are paid after receipt of a signed acceptance of the initial disclosures.

•Appraisal fee = \$400 up to \$400k (drive by) \$500 over \$400K (full interior) or outside of our Assessment Area; \$575 for construction/perm complex properties may be higher.

•Jumbo loans - for loan requests in excess of the Jumbo threshold, add .25% to the posted rates.

•For loan requests over \$1,500,000 contact the Chief Lending Officer for available rates.

•Non-Owner Occupied, Non-Rental - rates also apply to non-owner-occupied properties occupied by the owner's immediate family member with written acknowledgment if no rental income is collected.

•Secondary residence- add .25% to the posted rates; rate only available if the property is 50 miles or more away from the primary residence using Map Quest. If the mileage is within 5 +/- miles then another mileage source must be documented. If the two sources differ, the higher mileage will be used.

•We will consider applications primarily in our CRA assessment area which is the Baltimore - Columbia - Towson MSA.

•This bulletin is for internal use only and is not an advertisement or solicitation of loans.

•All rates are subject to change without notice.

•Applications are accepted in any RFSL office, by mail, phone, or online at [www.rosedalefederal.com](http://www.rosedalefederal.com).

•For additional information contact Tracy Carroll, Ryan Davis, or JoAnn Britt at [LoanOfficers@rosedalefederal.com](mailto:LoanOfficers@rosedalefederal.com).

**Rosedale Federal**

**TRID Loans Settlement Costs as of 09/29/2023**

**Complete the Loan Application Addendum BEFORE starting the LE**

- Closed End Loans to Consumers for Consumer Purpose are covered – i.e. purchase, refinance, construction permanent, home equity (home improvement, cash out, etc.) secured by any lot (regardless of lot size, 1-4 family dwelling, construction-perm). Loans to a Trust that is set up for tax or estate planning purposes are covered.
- C/P loans require the LE addendum; Acknowledgement of Construction Loan Disclosure of Maximum Interest Payment Amount. These loans are based on the interest only payment using the full loan amount during construction
- **Whenever you have a loan with no seller “Use Alternate” table at “Calculating Cash to Close” EXCEPT for Construction / Perm loans in which case “Use Alternate” is never an option.**

LE SECTION	TOLERANCE	ENCOMPASS	FEE NAME-Total of Items Listed Below	FEE AMOUNT TOTAL	APR?
<b>A–Origination Charges</b>	<b>Per Line</b>	<b>LINE #</b>			
A–Origination Charges	0%	802-e	___% of Loan Amount (Points)	% of loan amount to buy down rate for any product. Refer to the rate sheet to determine if the fee buys down the rate (compare to the same product with no fee) This includes discount points charged for loans in process.	Y
A–Origination Charge	0%	801	Origination Fee	Fee for any product where this fee is charged but does not buy down the rate. Refer to the rate sheet for the amount of the charge. This includes the extended rate lock fee for new construction.	Y
A–Origination Charge	0%	801	Processing Fee	<b>\$1,070.00</b>	Y
A–Origination Charge	0%	801	Rate Relock/Extension Fee	% agreed upon per Rate Lock Agreement	Y
<b>B–Services You Cannot Shop For</b>	<b>Per Line</b>		<b>Total of Items Listed Below</b>	<b>TOTAL</b>	
B–Services You Cannot Shop For	0%	804	<b>Appraisal Fee</b>	<b>\$500.00</b>	N
<ul style="list-style-type: none"> <li>• “Drive By” only for loan amounts up to \$400,000 AND inside of our Assessment Area. Any loan over \$400,000 or any loan outside of our assessment area = full interior inspection.</li> <li>• Fee for HELOCs = <b>\$400.00</b> and are paid by the Lender.</li> <li>• Fee for Fixed Rate Home Equity is paid by the Lender. <ul style="list-style-type: none"> <li>○ 1004 URAR with “as is” and subject to completion” values \$575.00</li> <li>○ 1004 URAR Construction/Perm \$575.00</li> <li>○ 1004 URAR New Construction \$825.00 for new construction with extended lock</li> <li>○ 1073 Condo \$500.00</li> <li>○ 2055 Drive by or HELOC \$400.00</li> <li>○ 1075 Drive by or HELOC Condo \$400.00</li> <li>○ 1025 Multi Family \$875.00</li> <li>○ Draw/Repair/Final Inspections \$200.00</li> <li>○ Appraisal Update \$250.00</li> <li>○ Appraisal Update with Comps \$325.00</li> </ul> </li> </ul>					

<ul style="list-style-type: none"> <li>o Desk Review \$300.00</li> <li>o Complex Changed Circumstance</li> <li>o Working Farm (Income Generating) Commercial Appraisal; will require a quote</li> </ul>					
<ul style="list-style-type: none"> <li>• Refer to SDAT for multiple units, multiple outbuildings, square footage, # of stories to determine if the subject is complex and therefore subject to additional/higher costs.</li> <li>• Determine flood zone</li> </ul>					
B-Services You Cannot Shop For	0%	810	Condo Questionnaire	\$300.00	Y
<ul style="list-style-type: none"> <li>• If secured by a condo, apartment or townhouse style; includes in-house refi's</li> </ul>					
B-Services You Cannot Shop For	0%	809	Consumer Credit Counseling Fee	\$275.00	Y
<ul style="list-style-type: none"> <li>• only charged if borrower is getting a grant from FHLB e.g. LMI First Time Buyer</li> </ul>					
B-Services You Cannot Shop For	0%	805	Credit Report	\$65.00 per person	N
B-Services You Cannot Shop For	0%	807	Flood Determination Fee	\$9.00	N
<ul style="list-style-type: none"> <li>• Not for land only loans</li> </ul>					
B-Services You Cannot Shop For	0%	808	Flood Monitoring Fee	\$6.00	Y
<ul style="list-style-type: none"> <li>• Not for land only loans</li> </ul>					
B-Services You Cannot Shop For	0%	806	Tax Service Fee	\$109.00	Y
<ul style="list-style-type: none"> <li>• All loans, all types</li> <li>• Loans over \$499,999, add \$10 per \$100,000 or portion thereof</li> </ul>					
B-Services You Cannot Shop For	0%	811	Inspection Fees	\$1,200.00	Y
For Construction / Perm and Home Improvement Loans where a draw schedule is required. Baltimore City, AA, Baltimore, Carroll, Cecil, Frederick, Harford, Howard, Montgomery, PG and Washington Counties = \$150.00 per inspection (8 inspections) All other Maryland Counties = \$150.00 per inspection (8 inspections)					
B-Services You Cannot Shop For	0%	812	Subordination Fee	\$350.00	Y
<ul style="list-style-type: none"> <li>• Remember to look into auto subordination</li> </ul>					
B-Services You Cannot Shop For	0%	813	Rate Relock Fee	See Rate Lock Agreement	Y
<b>C-Services You Can Shop For</b>	<b>Aggregate</b>		<b>Total of Items Listed Below</b>	<b>TOTAL</b>	
C-Services You Can Shop For	10%	1304	Septic System Certification-	\$310.00 (Visual)	N
C-Services You Can Shop For	10%		Septic System Certification	\$465.00	N
<ul style="list-style-type: none"> <li>• If required for transfers only</li> <li>• Borrower will pay at inspection and can pay via credit card; vendor will NOT collect at closing</li> <li>• Vendor will service Baltimore, Harford, &amp; Cecil Counties and will typically clean &amp; pump on the visit</li> <li>• Contact Halls Septic Service @ 410.838.0046 (last update with Halls 04/30/2021)</li> </ul>					
C-Services You Can Shop For	10%	1303	Termite Inspection	\$100.00	N
<ul style="list-style-type: none"> <li>• Purchases only</li> <li>• N/A For condos of any type (townhouse or garden)</li> <li>• Contact for access (typically listing agent)</li> <li>• Servicing all of Maryland</li> <li>• Contact MD Pest Patrol by phone to order 443.226.6064</li> </ul>					
C-Services You Can Shop For	10%	1101	Title-Abstract	\$280 per parcel	N
<ul style="list-style-type: none"> <li>• Fee is charged per parcel being purchased even if it is not securing the loan</li> </ul>					
C-Services You Can Shop For	10%	1101	Title-Binder	\$95.00	N

C–Services You Can Shop For	10%	1101	Title-Document	<b>\$150.00 per document as outlined below</b>	N
			Title-Document; Deed Prep (adding spouse or name change)	\$150.00	
			Title-Document; Power of Attorney	\$150.00	
			Title-Document; Subordination Agreement	\$150.00	
			Title-Document; Trust Agreement	\$150.00	
C–Services You Can Shop For	10%	1111	Title-Hand Recording Fee	<b>\$50.00</b>	N
C–Services You Can Shop For	10%	1112	Title – E Recording Fee	<b>\$4.75 per document</b>	N
C–Services You Can Shop For	10%	1101	Title-Judgment Reports & Review	<b>\$100.00; \$25.00 per name, we estimate 4 names</b>	N
<ul style="list-style-type: none"> <li>Judgments attach for 12 years in Maryland</li> </ul>					
C–Services You Can Shop For	10%	1101	Title - Location Drawing/Survey	<b>\$240.00</b> if one acre or less	N
<ul style="list-style-type: none"> <li>N/A for any style condo</li> <li>Purchase money transactions only</li> <li>For properties over 1 acre ask the title company for a quote</li> <li>Boundary Surveys are available in Maryland and start at \$1,000</li> </ul>					

C–Services You Can Shop For	10%	1104	Title – Lender’s Title Insurance	Calculate on the loan amount using pricing below	N
<ul style="list-style-type: none"> <li>Minimum Policy = \$300 (for loan amounts below \$94,000)</li> <li>Up to \$250,000 = \$3.36 per \$1,000 borrowed</li> <li>\$250,001 - \$500,000 = \$3.05 per \$1,000 borrowed</li> <li>\$500,001 - \$1,000,000 = \$2.75 per \$1,000 borrowed</li> <li>\$1,000,001 - \$5,000,000 = \$1.84 per \$1,000 borrowed</li> <li>\$5,000,000 - \$15,000,000 = \$1.20 per \$1,000 borrowed</li> </ul>					
C–Services You Can Shop For	10%	1102-d	Title-Lien Certificate	<b>\$55.00</b>	N
C–Services You Can Shop For	10%	1102-e	Title-Overnight Fee	<b>\$25.00</b>	Y
C–Services You Can Shop For	10%	1102-f	Title-Post Closing	<b>\$175.00</b>	Y
C–Services You Can Shop For	10%	1113	Title-Release Fee	<b>\$100.00</b> per lien	Y
Attorney fee to track releases and record in the land records. This fee appears on every LE for a refi and covers the POTENTIAL preparation and recording of any releases required and the verification of recorded releases. This fee is considered an APR fees as a conservative measure because it is unknown whether the entire fee will be retained, or part will be used for preparation of the Release and recording the Release at the courthouse.					
C–Services You Can Shop For	10%	1102-h	Title – Settlement or Closing Fee	<b>\$375.00</b>	Y
If there is a ground rent redemption charge the Settlement or Closing Fee twice \$750.00					
C–Services You Can Shop For	10%	1109	Title-Title Exam	<b>\$475.00</b>	N
C–Services You Can Shop For	10%	1110	Title-Wire Fee	<b>\$35.00</b> per wire	Y
<ul style="list-style-type: none"> <li>Charge 1 wire fee per lien pay off plus 1 wire fee for fees due back to RFSL except for in-house refis</li> <li>Example: In-house Refi = 1 wires, Outside Refi, 1 lien pay off = 2 wire fees, Outside Refi 2 lien pay offs = 3 wire fees, Purchase = 1 wire fee</li> </ul>					
C–Services You Can Shop For	10%	1305	Well Certification-Water Quality & Well Yield are both required	<b>\$495.00</b>	N
<ul style="list-style-type: none"> <li>If required, transfers only</li> <li>Contact Caswell Testing &amp; Water Systems, LLC</li> <li>Well Yield is \$400; serving Cecil, Baltimore, Harford, and Carroll Counties</li> </ul>					

- Water Quality test is \$95 if completed with Well Yield
- 410.557.9355

(last update with Caswell 04/30/2021)

D-TOTAL LOAN COSTS (A+B+C)			TOTAL OF EACH SECTION	TOTAL	
E-TAXES AND OTHER GOVERNMENT FEES			TOTAL OF ITEMS LISTED BELOW	TOTAL	
E-Taxes and Other Government Fees	10%	1202	Recording Fees and Other Taxes to record DOT	\$60.00-Primary Res \$115.00- Construction / Perm, Secondary Res or Investment; Documents in excess of 9 pages	N
E-Taxes and Other Government Fees	10%	1202	Recording Fees and Other Taxes to record DEED	\$60.00	N
E-Taxes and Other Government Fees	10%	1206	Recording Fees and Other Taxes to record SUBORDINATION AGREEMENT	\$60.00	N
E-Taxes and Other Government Fees	10%	1206	Recording Fees and Other Taxes to record POA	\$60.00	N
E-Taxes and Other Government Fees	10%	1206	Recording Fees and Other Taxes to record per GRANT	\$60.00	N
E-Taxes and Other Government Fees	10%	1206	Recording Fees and Other Taxes to record per GROUND RENT (Redemption)	\$60.00	N
E-Taxes and Other Government Fees	10%	1206	Habitat loans; add additional \$60 recording fee for Right of First Refusal	\$60.00	N
<b>Notes for Habitat loans; there is always a recording for the Deed, Deed of Trust, and First Right of Refusal or \$180.00. If there is a Habitat Soft Second add \$60.00. If there is a grant, add \$60.00 per grant. See eRecording above; add \$4.75 per document.</b>					
E-Taxes and Other Government Fees	0%	1204	City/County/Stamps	Enter County doc stamps	N
E-Taxes and Other Government Fees	0%	1204	City/County/Stamps	Enter City doc stamps	N
<p><b>Doc Stamps City/County –All Loans (Recordation Tax / Documentary Stamps)</b></p> <ul style="list-style-type: none"> <li>• All refinance transactions – calculate tax and add \$250 cushion (for a difference in the payoff amount) <ul style="list-style-type: none"> <li>○ Calculate on the difference between new loan amount and existing lien(s) &amp; round up to \$500</li> <li>○ If a new name is being added, calculate based on their percentage of ownership of the lien being paid off e.g. 2 names and removing one = 50%, loan in 1 name and adding 2 = 66.66%</li> <li>○ If a spouse is being removed (T/E Title) assume no tax except Baltimore City. If ANYONE is being removed or added in Baltimore City, add City transfer taxes at 1.5% of the unpaid principal balance of the existing mortgage.</li> <li>○ There is no break if the lien to be paid off is in the name of anyone other than the borrower (e.g. LLC). If this is the case, charge on the full loan amount.</li> </ul> </li> <li>• Purchase –total consideration (sales price) &amp; round up to \$500</li> <li>• Review the sales contract for the settlement fees that the borrower is paying and for how transfers are to be split; if there is no contract assume split</li> <li>• Const/Perm- owns lot or not, use loan amount &amp; round up to \$500</li> <li>• Fixed Home Equity or 2<sup>nd</sup> Mortgage -use loan amount, if paying off other 2<sup>nd</sup> use difference between new &amp; existing &amp; round up to \$500</li> <li>• CRA/First Time Buyer with grant funds; calculate applicable recordation tax on the amount of the grant(s) and add to the charges calculated on the purchase price</li> </ul>					



- Per \$1,000:

BALTIMORE	\$5.00		DORCHESTER	\$10.00		MONTGOMERY	\$8.90**
HARFORD	\$6.60		FREDERICK	\$14.00		PRINCE GEORGES	\$5.50
BALTIMORE CITY	\$10.00++		CALVERT	\$10.00		ST. MARYS	\$8.00
HOWARD	\$5.00		CAROLINE	\$10.00		SOMERSET	\$6.60
CARROLL	\$10.00		CECIL	\$8.20		TALBOT	\$12.00
ANNE ARUNDEL	\$7.00		CHARLES	\$10.00		WASHINGTON	\$7.60
QUEEN ANNES	\$9.90		GARRETT	\$7.00		WICOMICO	\$7.00
ALLEGANY	\$7.00		KENT	\$6.60		WORCESTER	\$6.60

- ++Baltimore City - first \$22,000 is exempt if owner occupied (purchase only)
- ++Baltimore City - as of 1/11/19, Purchase Only- 0.15% of the calculated recordation Yield Tax on any transaction over \$1,000,000.00; see memo for possible exemptions
- \*\*Montgomery County recordation = \$8.90 PER \$1,000 UP TO \$500,000; \$500,000.01 - \$600,000 = \$13.50 per \$1,000; \$600,000.01 - \$750,000 = \$20.40 per \$1,000; \$750,000.01 - \$1,000,000 = \$21.56 per \$1,000; OVER \$1,000,000 = \$22.70 per \$1,000 (of the "consideration payable" or "principal amount of debt secured...including the mortgage or deed of trust assumed by a grantee" will be taxed at the above rate)**

E-Taxes and Other Government Fees	0%	1203	Transfer Taxes	Enter County Transfer Tax	N
E-Taxes and Other Government Fees	0%	1203	Transfer Taxes	Enter City Transfer Tax	N

City/County Transfer Tax Rates are calculated on the total consideration (sales price). If there is no contract at the time the LE is prepared, assume a split of these taxes. If a contract is subsequently received stating the buyer is paying all transfers, a documented Change of Circumstance is required and must be delivered within 3 days of receipt of the contract.

BALTIMORE	1.5%	\$22,000 BUYERS CREDIT-OWNER OCCUPIED ONLY
HARFORD	1.0%	\$30,000 BUYERS CREDIT-OWNER OCCUPIED ONLY
BALTIMORE CITY	1.5%	\$22,000 BUYERS CREDIT IF PURCHASE PRICE IS LESS THAN \$250,000-OWNER OCCUPIED ONLY as of 1/11/19, Purchase Only - 0.6% of the calculated transfer Yield Tax on any transaction over \$1,000,000.00; see memo for possible exemptions
HOWARD	1.25%	
CARROLL	NONE	
ANNE ARUNDEL	1.0%	Up to \$999,999.99
	1.5%	Over \$1,000,000
QUEEN ANNES	.5%	First Time Home Buyers Receive An Exemption Equal To The Maryland State Exemption
ALLEGANY	.5%	\$50,000 Buyers Credit-Owner Occupied Only Includes Vacation/Secondary Residences
CALVERT	NONE	
CAROLINE	.5%	\$25,000 Buyers Credit -Owner Occupied Only; \$75,000 1 <sup>st</sup> Time Buyer And Owner Occupied
CECIL	.5%	
CHARLES	.5%	
DORCHESTER	.75%	\$30,000 Buyers Credit-Owner Occupied Only
FREDERICK	NONE	
GARRETT	1.0%	\$50,000 Buyers Credit - Owner Occupied Only
KENT	.5%	
MONTGOMERY	1.0%	If the consideration is under \$40,000 the transfer tax is .25%; \$40,000 but less than \$70,000 the tax is .5%
PRINCE GEORGES	1.4%	Includes Deeds Of Trust & Mortgages That Are Not Purchase Money
ST MARYS	1.0%	\$30,000 Buyers Credit-Owner Occupied Only



SOMERSET	NONE				
TALBOT	1.0%	Except 1st \$50,000 Primary Residence			
WASHINGTON	.5%	.25% If 1 <sup>st</sup> Time Washington County Buyer & Purchase Price Is Less Than \$115,000; 1 <sup>st</sup> \$50,000 Exempt On All Transactions			
WICOMICO	NONE				
WORCESTER	.5%	Except 1st \$50,000 If Owner Occupied			
E-Taxes and Other Government Fees	0%	1205	Transfer Taxes	Enter Maryland State Transfer Tax	N
<ul style="list-style-type: none"> <li>Calculate at .5% of the purchase price</li> <li>Transfers only</li> <li>For Const/Perm use purchase price of lot</li> <li>A divorce is tax exempt and the Deed specifically states that the transfer is due to a Marital Property Settlement Agreement. "WITNESSETH that pursuant to the terms of a Property Settlement Agreement between the parties, which is an exempt transfer pursuant to Section 12-108(d) of the Tax Property Article of the Annotated Code of Maryland, as amended..."</li> </ul>					
<b>F-PREPAIDS</b>	<b>Unlimited</b>		<b>TOTAL OF ITEMS LISTED BELOW</b>	<b>TOTAL</b>	
F-Prepays	Unlimited	903	Homeowner's Insurance Premium	Annual Premium Amount Required for Purchase transactions	N
F-Prepays	Unlimited	902	Mortgage Insurance Premium - N/A	Always ZOMP – never any amount prepaid or collected up front	Y
F-Prepays	Unlimited	901	Prepaid Interest calculate per diem interest based on the settlement date per the contract. If the settlement date is not known, estimate 15 days.	Enter calculated amount	Y
<ul style="list-style-type: none"> <li>For CP &amp; HELOCS, must "zero" out interest – change interest from &amp; to dates to the <b>same</b> date</li> </ul>					
F-Prepays	Unlimited	904	Property Taxes (____ months) <b>(Amount to Pay Owed Bills)</b>	Enter calculated amount to bring delinquent taxes current	N
<ul style="list-style-type: none"> <li>This is for outstanding unpaid tax bills only not reimbursements to a seller</li> <li>Include anything that is paid to the County/City</li> </ul>					
F-Prepays	Unlimited	906	Flood Insurance Premium	Annual Premium Amount	N
<ul style="list-style-type: none"> <li>If the annual premium amount is unknown when the LE is prepared, estimate \$700</li> <li>According to floodsmart.gov, "The average flood insurance policy costs about \$700 per year"</li> </ul>					
F-Prepays	Unlimited		HOA Dues to be Collected at Closing		N
<ul style="list-style-type: none"> <li>HOA Dues are not escrowed – include the amount in the ETIA. Include in prepaids if there is an amount due prior to or at closing.</li> </ul>					

Property Tax Due Calendar by Maryland County

County	Annual	Semi-Annual	County	Annual	Semi-Annual	County	Annual	Semi Annual
BALTIMORE	Jul 1	Jul 1 & Dec 1	DORCHESTER			MONTGOMERY	Sep 30	Sep 30 & Dec 31
HARFORD			FREDERICK			PRINCE GEORGES		
BALTIMORE CITY			CALVERT			ST. MARYS		
HOWARD		Sep 30 & Dec 31	CAROLINE			SOMERSET		
CARROLL			CECIL			TALBOT		
ANNE ARUNDEL			CHARLES			WASHINGTON		

Estimating Number of Months to Collect

<b>Note: this chart will not be accurate in all circumstances and is for initial estimates only. For closing documents, you will need to determine the payment due dates for each type of escrow payment and confirm with the closing agent what if any payments will be made at closing for each individual loan scenario. Note: Semi-Annual payment only permitted for Primary Residence, all other properties must be paid Annually.</b>			
For Semi-Annual Payments: Taxes, Ground Rent		For Annual Payments: Taxes, Home Owner's & Flood Insurance	
If the closing date is in:	Collect (months):	If the closing date is in:	Collect (months):
January	2	January	7
February	3	February	8
March	4	March	9
April	5	April	10
May	6	May	11
June	7	June	12
July	2	July	1
	If bill is unpaid, collect 6 months in ppds, line 904		If bill is unpaid, collect 12 months in ppds, line 904
August	3	August	2
September	4	September	3
October	5	October	4
November	6	November	5
December	7	December	6

For a list of Property Tax Rates by Maryland County use SDAT or [dat.maryland.gov/real property/Pages, Tax Rates](http://dat.maryland.gov/real-property/Pages, Tax Rates)

G—INITIAL ESCROW PAYMENT AT CLOSING	Unlimited		TOTAL OF ITEMS LISTED BELOW	TOTAL	
G—Initial Escrow Payment at Closing	Unlimited	1006	Flood Insurance (___ per month for ___ months)	Enter calculation (if applicable)	N
G—Initial Escrow Payment at Closing	Unlimited	1007	Ground Rent (___ per month for ___ months)	Enter calculation (if applicable)	N
G—Initial Escrow Payment at Closing	Unlimited	1002	Homeowner's Insurance (___ per month for ___ months)	Escrow 2 Months	N
G—Initial Escrow Payment at Closing	Unlimited	1003	Mortgage Insurance (___ per month for ___ months)	Enter calculation (if applicable)	Y
G—Initial Escrow Payment at Closing	Unlimited	1004	Property Taxes (___ per month for ___ months)	Enter calculation	N

H-OTHER	Unlimited		TOTAL OF ITEMS LISTED BELOW	TOTAL	
H-Other	Unlimited	1310	HOA Capital Contribution	Enter amount for Purchase transaction when HOA involved	N
H-Other	Unlimited	1311	Home Inspection Fee	Enter amount for Home Inspection Fee if Borrower wants this and this is known	N
H-Other	Unlimited	1312	Radon Test or other tests required per the sales contract	Enter amount for Purchase transaction if Borrower opts for this	N
H-Other	Unlimited	1313	Real Estate Agent Administrative Fee	Enter amount for Purchase transaction as stated in contract; if the amount is unknown, use <b>\$395.00</b>	N
H – Other	Unlimited	1315	Ground Rent Redemption	Ground rents are capitalized at 6%; calculate the amount to redeem plus the attorney's fee. Add an additional doc prep fee (\$150) and recording (\$60) for the new deed. <ul style="list-style-type: none"> <li>EX: Ground rent to be redeemed is \$96.00 annually:</li> <li>96 / 6% = \$1,600, Section H</li> <li>Attorney's fee = \$375, Section H</li> <li>New deed prep = \$150, Section C</li> <li>Recording = \$60, Section E</li> </ul>	N
			Ground Rent Redemption	\$375 – Attorney's Fee	
H – Other	Unlimited	1103	Title – Owner's Title Insurance (optional)	Calculate on the Purchase Price –See Below	N
<ul style="list-style-type: none"> <li>Minimum Policy \$175</li> <li>Up to \$250,000 = \$4.80 per \$1,000 of the purchase price</li> <li>\$250,001 - \$500,000 = \$4.10 per \$1,000 of the purchase price</li> <li>\$500,001 - \$1,000,000 = \$3.50 per \$1,000 of the purchase price</li> <li>\$1,000,000 - \$5,000,000 = \$2.75 per \$1,000 of the purchase price</li> <li>\$5,000,001 - \$15,000,000 = \$1.65 per \$1,000 of the purchase price</li> <li>Simultaneous Issue = \$175 -</li> </ul> USE PURCHASE PRICE TO CALCULATE FEE AS DESCRIBED ABOVE; ADD \$175 (Simultaneous Issue): SUBTRACT FEE CALCULATED FOR THE LENDER'S POLICY; EX:      PRICE = \$100,000 100 X 4.80 = \$480.00 LOAN = \$80,000 80 X 3.20 = \$256.00 480.00 + 175.00 - <u>256.00</u> \$399.00					
<ul style="list-style-type: none"> <li>Enhanced policy –can only be sold and quoted by the closing attorney.</li> <li>Construction / Perm – Use the Cost to Build Plus Lot Value to Calculate</li> </ul>					
I-TOTAL CLOSING COSTS			TOTAL OF E+F+G+H	TOTAL	
J-TOTAL CLOSING COSTS			TOTAL OF D+I	TOTAL	

				(This amount carries to Page 1 "Estimated Closing Costs" next-to-last line under Costs at Closing)											
D+I			This amount should populate	Total of D+I											
Lender Credits			This will not be used; enter all costs.	This will be left blank											
<b>CALCULATING CASH TO CLOSE</b>			(See optional table info below if there is no Seller)												
<b>Confirm Cash to Close is the same on page 3 of the 1003, 2015 Itemization, and pages 1 and 2 of the LE.</b>															
Total Closing Costs (J)			AMOUNT AS APPEARS ON LINE J	AMOUNT OF J											
Closing Costs Financed (Paid from your Loan Amount)			- (Enter as negative number)	SUBTRACT the amount in J that will be paid out of Loan Proceeds											
Down Payment/Funds From Borrower			+ (Enter as a positive number) For purchases – this amount must be the difference between the Purchase Price and the Loan Amount	ADD the amount of Down Payment that Borrower must make (or amount that Borrower must bring to table – if not a Refi refer to instructions in Funds For Borrower below)											
CP Loan – This will be the NET of the LOAN AMOUNT – PAYOFF of existing lien and CONSTRUCTION COSTS (Cost to build less any deposits). The amount held from the loan proceeds is not shown as a separate line item amount. Enter the amount as "Cost to Build" in the loan application section VII Details of Transaction (as a negative number) AND in the Adjustments and Other Credits on the Loan Estimate.															
Deposit			- (Disclosed as a negative number) For purchases only – enter amount paid to seller or held in trust or escrow for the sale of the property	SUBTRACT the amount of Deposit that Borrower has already made for a Purchase transaction or the amount of deposit the borrower has already paid to the builder for their construction contract on a CP loan whether a purchase or refinance.											
Funds For Borrower			(Subtract the loan amount from the total of all existing debt being satisfied in this transaction)	If a positive number, enter -0- here – the amount is entered in Down Payment/Funds From Borrower above If a negative number, enter the amount here and enter -0- in Down Payment/Funds From Borrower above											
Seller Credits			- (Enter as a negative number)	Enter the total amount that the seller will pay for total loan costs and total other costs.											
Adjustments and Other Credits			(See below)	Taxes, water											
<ul style="list-style-type: none"> <li>Enter as a positive number on the LE page 2. <ul style="list-style-type: none"> <li>Use the Edit button for Adjustments and Other Credits</li> <li>Non-UCD tab</li> <li>Below Gift Funds, type Adjustments Between Buyer and Seller – Taxes</li> <li>Calculate the amount of tax reimbursement owed to the seller – see last page</li> <li>Enter as a positive number</li> <li>On the next line type Adjustments Between Buyer and Seller – Water using the chart below: <table border="0"> <tr> <td>Baltimore (County &amp; City)</td> <td>\$225.16</td> </tr> <tr> <td>Harford</td> <td>\$185.06</td> </tr> <tr> <td>Howard</td> <td>\$216.86</td> </tr> <tr> <td>Anne Arundel</td> <td>\$148.20</td> </tr> <tr> <td>Carroll</td> <td>\$239.83</td> </tr> </table> </li> </ul> </li> </ul>						Baltimore (County & City)	\$225.16	Harford	\$185.06	Howard	\$216.86	Anne Arundel	\$148.20	Carroll	\$239.83
Baltimore (County & City)	\$225.16														
Harford	\$185.06														
Howard	\$216.86														
Anne Arundel	\$148.20														
Carroll	\$239.83														

Cecil \$279.16

All other Counties, use national average of \$220.00

- Any bill related to the property that is due prior to the settlement date, RF assumes the seller will have paid so the adjustment amount will be prorated daily from the date of settlement.
- Enter grant funds in this section as a positive number.

<b>Estimated Cash To Close</b>			<b>Will Calculate</b>	<b>TOTAL</b> (If cash to borrower, this will be a negative #; If cash from borrower, this will be a positive number) This amount carries to the 1 <sup>st</sup> page "Estimated Cash to Close" = bottom line under Costs at Closing	
<b>CALCULATING CASH TO CLOSE</b>			Optional Table if there is no Seller		
Loan Amount			+	Enter Loan Principal Amount	
			(Enter as positive number)		
Total Closing Costs			-	SUBTRACT	
			(Enter as a negative number)	Amount from Line J	
Estimated Total Payoffs and Payments			-	SUBTRACT	
			(Enter as a negative number)	Amount of payoffs and payments to be made to third parties and not disclosed in loan costs or other costs (Complete Payoffs and Payments Page)	
Estimated Cash to Close			Calculates Amount	TOTAL	
				Must mark box: Either ___ From Or ___ To Borrower	
Estimated Closing Costs Financed (Paid from your Loan Amount)				The amount of Closing Costs from Line J should appear here (if they are paid from the loan proceeds) <b>This amount carries to the 1<sup>st</sup> page "Estimated Cash to Close" = bottom line under Costs at Closing and must be entered manually minus the appraisal fee (unless the appraisal fee is collected at closing).</b>	

#### Calculating Tax Reimbursements:

Total Annual Tax Bill: \$3,900.89  
 Divided by 12 (months): \$ 325.07  
 Divided by 365: \$ 10.68 per diem

Note the Payment Type is SA – Semi Annual and paid on 7/27/16 per the tax bill. In this county semi-annual payments are due July and December.  
 Closing Date: January 22, 2016

First Payment Date: March 1, 2016

So, we will assume this seller has paid the next semi- annual tax amount due in December through June 30<sup>th</sup> prior to our closing. Our borrower takes possession on January 22<sup>nd</sup>. The buyer owes the seller for 10 days in January INCLUDING the date of closing and the months of February, March, April, May, and June.

$10 \text{ days} \times \$10.68 \text{ plus } 5 \text{ months} \times \$325.07 = \$1,732.15$

Payments Received			
Payment	Payment Type	Interest/Discount Calculation Date	Amount Paid
Partial	SA	07/27/2016	1,936.26

Detailed Breakdown of Receivable Amounts		
Description	Amount	Tax Credits
County Tax	2,836.90	
State Tax	288.85	
Buy Res Fee	60.00	
Sewer Benefit	100.00	
Sewer Service	100.00	
Storm Water Remediation Fee	17.00	
Utility	371.77	
Water Distribution	126.37	
Total	3,900.89	

The receivable tax amounts reflect the application of the tax credits listed.

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Notes: RMMR Review Fee     \$450.00

## **APPROVED TRANSACTIONS**

### **COMMERCIAL REAL ESTATE LENDING**

The Association is primarily a real estate lender; therefore most of our commercial assets are Commercial Real Estate transactions. Financing in the CRE offerings include the following products/transactions:

- Residential Land Acquisition and Development;
- Commercial Land Acquisition and Development;
- Builder Lines of Credit;
- Commercial Real Estate Construction;
- Multifamily;
- Commercial Real Estate (CRE) Investor Owned or Owner Occupied;
- Letters of Credit;
- Investor Owned Residential Real Estate (IORR); and
- CRE HUD Bridge Financing.

### **UNIMPROVED LAND ACQUISITION**

#### **POLICY REQUIREMENTS:**

LTV	65% maximum, based on the lesser of cost or “as is” value of the land
Amortization	Repayment should be from a development/construction loan, not the resale of the land
Term	36 month maximum, excluding extensions
Equity	35% of cost invested as upfront equity (may be borrowed equity)
Interest Reserve	Not to exceed 12 months, unless funded in advance by the borrower

#### **DOCUMENTATION REQUIREMENTS:**

Flood Certifications	Not required for unimproved property
Environmental Report	Refer to Environmental Policy
Appraisal Report	Refer to Appraisal Policy
Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved
Legal Documents	<p>Should be prepared by outside counsel and include at a minimum:</p> <ul style="list-style-type: none"><li>• Promissory Note</li><li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li><li>• Guaranty Agreement(s)</li><li>• Loan Agreement</li><li>• Title Insurance</li><li>• Resolutions to Borrow and Guaranty (for corporate entities)</li><li>• Subordination Agreement (if land equity is in the form of seller financing or other borrowed equity)</li></ul>

Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Other Required Documents	Purchase contract, lot survey/plat

#### UNDERWRITING CONSIDERATIONS:

<ul style="list-style-type: none"> <li>• It is strongly suggested that an interest carry escrow be established</li> <li>• The land should have access to the necessary utilities</li> <li>• The land should be properly zoned for the intended use</li> <li>• <i>Underwriting predicated on the willingness of the bank to underwrite the development/construction loan for the same borrower</i></li> <li>• <i>The Borrower is responsible for paying all closing costs and loan fees</i></li> <li>• <i>Nonrecourse or partial recourse loans will be considered on an exception basis only</i></li> <li>• <i>Please reference the <b>Commercial Real Estate Underwriting Guidelines</b> detailed in a separate document.</i></li> </ul>
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### RESIDENTIAL LAND ACQUISITION & DEVELOPMENT

#### POLICY REQUIREMENTS:

LTV	Overall 75% maximum on the discounted sell-out value  75% maximum on land advance, based on the lesser of cost or as is appraised value
Amortization	115% minimum partial release  If letters of credit are included in the loan, the releases should be adequate to cash collateralize outstanding letters when the loan is repaid by 100% of letters outstanding
Term	36 month maximum, excluding extensions
Equity	25% of land cost (may be borrowed equity)
Interest Reserve	Not to exceed 36 months, with any additional interest carry to be funded by the borrower

#### DOCUMENTATION REQUIREMENTS:

Flood Certifications	Not required for unimproved property
Environmental Report	Refer to Environmental Policy
Appraisal Report	Refer to Appraisal Policy
Budget	Must be part of the loan approval, commitment letter, and loan agreement



Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved
Legal Documents	<p>Should be prepared by outside counsel and include at a minimum:</p> <ul style="list-style-type: none"> <li>• Promissory Note</li> <li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li> <li>• Guaranty Agreement(s)</li> <li>• Assignment of Contracts, Plans, etc.</li> <li>• Specific Assignment and Subordination Agreement if lots are sold</li> <li>• UCC filing</li> <li>• Loan Agreement</li> <li>• Title Insurance</li> <li>• Resolutions to Borrow and Guaranty (for corporate entities)</li> <li>• Subordination Agreement (if land equity is in the form of seller financing or other borrowed equity)</li> </ul>
Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Other Required Documents	Purchase contracts, subdivision plats, developer's contracts to support budget or engineer's estimate

#### UNDERWRITING CONSIDERATIONS:

<ul style="list-style-type: none"> <li>• Initial funding not to occur until property is at record plat or record ready stage (land with entitlements)</li> <li>• Loan should be structured with requirement that development begins within 3-6 months of closing</li> <li>• Absorption study should indicate that all lots can be developed and enough settlements occur to repay the loan within the stated maturity, including extensions</li> <li>• Development/Phase should contain a maximum of 50 lots</li> <li>• Borrower must have direct development experience or contract with an experienced development manager</li> <li>• Subordinated liens may substitute for land equity requirement. Bank subordination agreement must be used</li> <li>• Standard project pro-forma and discounted cash flow must be included in the loan approval package</li> <li>• Loans should be structured and budgeted in phases if possible</li> <li>• Loan approval should indicate a pre-determined limit on letters of credit</li> <li>• <i>Please reference the <b>Commercial Real Estate Underwriting Guidelines</b> detailed in a separate document.</i></li> </ul>
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### **RESIDENTIAL BUILDER LINE OF CREDIT**

#### POLICY REQUIREMENTS:

LTV	<p>Overall 80% maximum on finished unit value</p> <p>75% land advance for speculative units</p> <p>90% land advance for pre-sold, non-contingent units</p>
Lot Release Price	100% of all funds advanced per lot & unit

Term	Typically, 12 months, but not more than 24 months. A roll-off period of up to 180 days is allowed if the line is not renewed at the end of the term.
Spec Limits	Must be specified in the loan approval, both on a per subdivision basis and an overall basis.
Equity	25% on land advance for speculative units
Interest Reserve	Not permitted with this product

#### DOCUMENTATION REQUIREMENTS:

Flood Certifications	Not typically required on lot advances; determination required for vertical improvements
Environmental Report	Not typically required for finished residential lots
Appraisal Report	Refer to Appraisal Policy. Typically would include a URAR report for each model type.
Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved.
Draw Schedules	Must become part of the commitment letter and loan agreement
Legal Documents	Should be prepared by outside counsel and include at a minimum: <ul style="list-style-type: none"> <li>• Promissory Note</li> <li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li> <li>• Guaranty Agreement(s)</li> <li>• Assignment of Contracts, Plans, etc.</li> <li>• Loan Agreement</li> <li>• Title Insurance</li> <li>• Resolutions to Borrow and Guaranty (for corporate entities)</li> </ul>
Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Builder's Risk Insurance	Required, typically for the cost to complete
Other Required Documents	Purchase contracts, lot surveys, sales contracts, construction plans/specs, schedule of existing projects and contingent liabilities

#### UNDERWRITING CONSIDERATIONS:

<ul style="list-style-type: none"> <li>• Allows financing of lots and improvements in pre-approved subdivisions. New subdivisions may be added during the term upon approval of the department head and loan officer. Building permits should be in place prior to lot advance</li> <li>• Appraisals for each base model unit to be constructed must be obtained prior to closing, and updated annually thereafter</li> <li>• <i>Nonrecourse or partial recourse loans will be considered on an exception basis only</i></li> <li>• <i>Please reference the <b>Commercial Real Estate Underwriting Guidelines</b> detailed in a separate document.</i></li> </ul>
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## COMMERCIAL LAND ACQUISITION & DEVELOPMENT

### POLICY REQUIREMENTS:

LTV	75% maximum on finished value  75% maximum on land advance based on the lower of cost or “as is” value of the land.
Amortization	Repayment must be from a construction loan or the sale of lots with an accelerated release price, 120% minimum
Term	36 month maximum, excluding extensions
Equity	20% of initial acquisition cost invested as up-front equity
Interest Reserve	Not to exceed 24 months, with any additional interest carry to be funded by the borrower

### DOCUMENTATION REQUIREMENTS:

Flood Certifications	Not required for unimproved property
Environmental Report	Refer to Environmental Policy; typically requires a Phase I report
Appraisal Report	Refer to Appraisal Policy
Budget	Must become part of the loan approval, commitment letter, and loan agreement
Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved.
Legal Documents	Should be prepared by outside counsel and include at a minimum: <ul style="list-style-type: none"> <li>• Promissory Note</li> <li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li> <li>• Guaranty Agreement(s)</li> <li>• Assignment of Contracts, Plans, etc.</li> <li>• Loan Agreement</li> <li>• Title Insurance</li> <li>• Resolutions to Borrow and Guaranty (for corporate entities)</li> <li>• Subordination Agreement (if land equity is in the form of seller financing or other borrowed equity)</li> </ul>
Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Other Required Documents	Purchase contracts, developer’s contracts or engineer’s estimate

#### UNDERWRITING CONSIDERATIONS:

- Loan should be structured with requirement that development begins within 3 months of closing
- Initial funding not to occur until property is at record plat or record ready stage (land with entitlements)
- The land should have access to the necessary utilities
- The land should be properly zoned for the intended use
- Underwriting predicated on the willingness of the bank to underwrite the construction loan for the same borrower.
- Higher equity may be required for specialty real estate
- *Nonrecourse or partial recourse loans will be considered on an exception basis only*
- *Please reference the **Commercial Real Estate Underwriting Guidelines** detailed in a separate document.*

### COMMERCIAL LAND ACQUISITION & CONSTRUCTION

#### POLICY REQUIREMENTS:

LTV	80% maximum on finished product
	85% maximum loan to cost
	75% maximum on land advance based on the lower of cost or “as is” value of the land
Amortization	<i>Must have a written commitment for the permanent loan or the Bank must be extending an offer for a mini-permanent. For sale properties (i.e. condominiums, retail space) should have accelerated releases equal to a minimum of 120% of the per unit loan.</i>
Term	36 month maximum, excluding extensions
DSCR	1.20X pro-forma minimum
Equity	15% of total project cost invested as upfront equity; 25% land equity
Interest Reserve	Not to exceed 24 months, with any additional interest carry to be funded by the borrower

#### DOCUMENTATION REQUIREMENTS:

Flood Certifications	Determination required. If in flood zone, insurance must be obtained prior to closing and appraisal must develop the “cost approach”
Environmental Report	Refer to Environmental Policy
Appraisal Report	Refer to Appraisal Policy
Budget	Must become part of the loan approval, commitment letter, and loan agreement
Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved.
Legal Documents	Should be prepared by outside counsel and include at a minimum:

	<ul style="list-style-type: none"> <li>• Promissory Note</li> <li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li> <li>• Guaranty Agreement(s)</li> <li>• Assignment of Contracts, Plans, etc.</li> <li>• Loan Agreement</li> <li>• Title Insurance</li> <li>• Resolutions to Borrow and Guaranty (for corporate entities)</li> <li>• Specific Assignment of Leases and Rents</li> <li>• Contractor's Agreement to Complete</li> <li>• Subordination Agreement (if land equity is in the form of seller financing or other borrowed equity)</li> </ul>
Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Builder's Risk Insurance	Required, typically for the cost to complete
Other Required Documents	Purchase contract, construction plans/specs, engineer's review of costs/budget

**UNDERWRITING CONSIDERATIONS:**

<ul style="list-style-type: none"> <li>• <i>Loan may be for investment properties or owner-occupied property</i></li> <li>• <i>Investment property should have sufficient pre-leasing to indicate market acceptance</i></li> <li>• <i>Funding should not occur until land is at record plat or record ready stage</i></li> <li>• <i>Higher equity may be required for specialty real estate</i></li> <li>• <i>Nonrecourse or partial recourse loans will be permitted on an exception basis only</i></li> <li>• <i>Please reference the <b>Commercial Real Estate Underwriting Guidelines</b> detailed in a separate document.</i></li> </ul>
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**COMMERCIAL BUILDINGS PERMANENT MORTGAGES**

**POLICY REQUIREMENTS:**

LTV	80% maximum on investor or owner-occupied properties
Amortization	25-year maximum w/ 30 year maximum for new apartment projects only
Term	10-year maximum call period Fully amortizing 15-year terms are allowed for owner occupied properties
DSCR	1.20X minimum 1.00X minimum for Non-Profit organizations
Equity	15% of cost invested as upfront equity
Interest Reserve	Permitted during initial lease-up periods, not to exceed 18 months

#### DOCUMENTATION REQUIREMENTS:

Flood Certifications	Determination required. If in flood zone, insurance <u>must</u> be obtained prior to closing and appraisal must develop the “cost approach”.
Environmental Report	Refer to Environmental Policy
Appraisal Report	Refer to Appraisal Policy
Assignment of Leases/Rents	Covers each lease specifically, w/ lease attached, acknowledged by lessor
Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved.
Legal Documents	<p>Should be prepared by outside counsel and include at a minimum:</p> <ul style="list-style-type: none"><li>• Promissory Note</li><li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li><li>• Guaranty Agreement(s)</li><li>• Assignment of Leases and Rents</li><li>• Loan Agreement</li><li>• Title Insurance</li><li>• Estoppel Certificates on all leases that represent 10% of more of the leasable space</li><li>• Resolutions to Borrow and Guaranty (for corporate entities)</li><li>• Subordination Agreement (if land equity is in the form of seller financing or other borrowed equity)</li></ul>
Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Property Insurance	Required, typically equal to the greater of the loan amount or property's replacement cost
Other Required Documents	Leases, rent rolls, sales contract (for purchases), building structural reports (depending on the building's age)

#### UNDERWRITING CONSIDERATIONS:

- Any major or primary tenant should be analyzed for financial capacity to perform under the lease
- Investor owned properties should not have significant lease maturities that will expire within a near term of the loan closing
- Financial statements on the subject/collateral property must be required no less frequently than annually. In the event of a single real estate asset entity, such as an S Corp established for the sole purpose of owning the collateral property, tax returns plus a rent roll will suffice
- For multi-tenanted properties in excess of 20,000 sf, the cash flow and valuation analysis should use a vacancy & collection factor; as well as rental rates, of the lower of actual or market.
- The establishment of an escrow/reserve account for building maintenance and repairs, taxes and insurance is strongly encouraged depending on the loan amount and size of the building
- *Please reference the **Commercial Real Estate Underwriting Guidelines** detailed in a separate document.*

## LETTERS OF CREDIT

### POLICY REQUIREMENTS:

LTV	Fully collateralized by either the underlying real estate or by funds/deposits held by the Association in a trustee savings account
Amortization	Releases should be adequate to cash collateralize outstanding letters when the loan is repaid by 100% of letters outstanding
Term	12 month maximum, subject to annual renewal
Equity	Not applicable
Interest Reserve	Not applicable

### DOCUMENTATION REQUIREMENTS:

Legal Documents	<ul style="list-style-type: none"><li>• Deed of Trust must include the pre-approved limit of letters of credit</li><li>• Letter of Credit Note</li><li>• Letter of Credit Application</li></ul>
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### UNDERWRITING CONSIDERATIONS:

<ul style="list-style-type: none"><li>• Will typically be approved in conjunction with a real estate loan</li><li>• Intended uses include:<ul style="list-style-type: none"><li>- Security for public works agreements</li><li>- Bonds covering development work</li><li>- Security for grading permits</li><li>- Security for driveway aprons</li><li>- Security for HOA associations</li></ul></li><li>• Letters of credit acting as security for land purchase contracts should be approved only for financially secured customers, and only where the Bank is willing to finance the underlying project</li><li>• <i>Please reference the <b>Commercial Real Estate Underwriting Guidelines</b> detailed in a separate document.</i></li></ul>
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## INVESTOR OWNED RESIDENTIAL REAL ESTATE - IORR

### POLICY REQUIREMENTS:

LTV	80% maximum based on the lower of purchase price or "as is" value
Amortization	Up to 25 year
Term	Up to 10 year
DSCR	1.20X minimum
Equity	20% of initial acquisition cost invested as up-front equity
Interest Reserve	Not permitted with this product

DOCUMENTATION REQUIREMENTS:

Flood Certifications	Determination required. If in flood zone, insurance <u>must</u> be obtained prior to closing and appraisal must develop the “cost approach”.
Environmental Report	Not typically required for residential units
Appraisal Report	Refer to Appraisal Policy; appraisal must include a comparable rent schedule
Legal Documents	Should be prepared by outside counsel and include at a minimum: <ul style="list-style-type: none"><li>• Promissory Note</li><li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li><li>• Guaranty Agreement(s)</li><li>• Assignment of Rents, Contracts, Plans, etc.</li><li>• Loan Agreement</li><li>• Title Insurance</li></ul>
Liability Insurance	Required, Rental Dwelling Policy, which includes loss of rental income coverage
Property Insurance	Required, typically equal to the greater of the loan amount or property's replacement cost
Other Required Documents	Lease/Rental Agreement

UNDERWRITING CONSIDERATIONS:

<ul style="list-style-type: none"><li>• Refinance Transaction<ul style="list-style-type: none"><li>- Limited cash out/only to cover closing costs or for renovation of the collateral</li><li>- Rental income must be reported on prior year tax return (sch. E) or verified through a lease</li></ul></li><li>• Purchase Transaction</li><li>• <i>Nonrecourse or partial recourse loans will be permitted on an exception basis only</i></li><li>• <i>Please reference the <b>Commercial Real Estate Underwriting Guidelines</b> detailed in a separate document.</i></li></ul>
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**CRE HUD BRIDGE FINANCING**

POLICY REQUIREMENTS:

LTV	80% maximum on market rent properties 85% maximum on low to moderate income properties
Amortization	35-year maximum
Term	12 month maximum, with one 6 month extension
DSCR	1.15X minimum, based on interest-only payment
Equity	20% of cost invested as upfront equity



	15% of cost invested as upfront equity
Interest Reserve	Not permitted with this product

#### DOCUMENTATION REQUIREMENTS:

Flood Certifications	Determination required. If in flood zone, insurance <u>must</u> be obtained prior to closing and appraisal must develop the "cost approach".
Environmental Report	Refer to Environmental Policy
Appraisal Report	Refer to Appraisal Policy
Assignment of Leases/Rents	Covers each lease specifically, w/ lease attached, acknowledged by lessor
Commitment Letter	Issued in writing and should expire 90 days after issue, unless a longer expiration is approved.
Legal Documents	Should be prepared by outside counsel and include at a minimum: <ul style="list-style-type: none"> <li>• Promissory Note</li> <li>• Deed of Trust/Indemnity Deed of Trust/Mortgage</li> <li>• Guaranty Agreement(s)</li> <li>• Assignment of Leases and Rents</li> <li>• Loan Agreement</li> <li>• Title Insurance</li> <li>• Estoppel Certificates on all leases that represent 10% of more of the leasable space</li> <li>• Resolutions to Borrow and Guaranty (for corporate entities)</li> <li>• Subordination Agreement (if land equity is in the form of seller financing or other borrowed equity)</li> </ul>
Liability Insurance	Required, typically for \$1MM each occurrence / \$2MM aggregate
Property Insurance	Required, typically equal to the greater of the loan amount or property's replacement cost
Other Required Documents	Leases, rent rolls, sales contract (for purchases), building structural reports (depending on the building's age)

#### UNDERWRITING CONSIDERATIONS:

<ul style="list-style-type: none"> <li>• HUD financing application should be submitted to the agency for approval</li> <li>• Particular attention and focus on the Environmental report should be included in the credit underwriting</li> <li>• Springing guarantee loan structure should be utilized, with the guarantee contingent on final HUD approval.</li> <li>• Financial statements on the subject/collateral property must be required no less frequently than annually. In the event of a single real estate asset entity, such as an S Corp established for the sole purpose of owning the collateral property, tax returns plus a rent roll will suffice</li> </ul>
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- For multi-tenanted properties in excess of 20,000 sf, the cash flow and valuation analysis should use a vacancy & collection factor; as well as rental rates, of the lower of actual or market
  - The establishment of an escrow/reserve account for building maintenance and repairs, taxes and insurance is strongly encouraged depending on the loan amount and size of the building
  - *Please reference the **Commercial Real Estate Underwriting Guidelines** detailed in a separate document.*
-

## **CRA BRANCH OPENING AND CLOSING**

- Rosedale Federal closed a branch on October 28, 2022, located at 1A Bel Air S Pkwy, Bel Air, MD 21015.
- Rosedale Federal acquired four (4) branches on July 8, 2022, when merged with Chesapeake Bank of Maryland:
  - 2001 East Joppa Road, Baltimore, MD 21234
  - 5424 Carville Avenue, Baltimore MD 21227
  - 3820 Mountain Road, Suite 1, Pasadena, MD 21122
  - 1A Bel Air South Parkway, MD 21015
- Rosedale Federal did open a branch on February 28, 2022, located at 1730 York Road Timonium, MD 21093.
- Rosedale Federal did not open or close any branches in 2021.
- Rosedale Federal did not open or close any branches in 2020.
- Rosedale Federal did not open or close any branches in 2019.
- Rosedale Federal closed a branch on December 31, 2018, located at 6249-A Kenwood Ave. Baltimore, MD 21237.
- Rosedale Federal opened a branch on October 9, 2018, located at 1301 Merritt Boulevard Dundalk, MD 21222.
- Rosedale Federal acquired a branch when merged with Midstate Community Bank located at 6810 York rd. in 2017.
- Rosedale Federal closed a branch located at 7810 Philadelphia Rd. and open a branch located at 8552 Philadelphia rd. in 2017.
- Rosedale Federal did not open or close any branches in 2016.



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# **COMMUNITY REINVESTMENT ACT**

## **LOAN TO DEPOSIT RATIOS**

## Loan-to-Deposit Tracking - Quarterly

Quarter Ending	Mortgage Loans	Consumer Loans	Total Loans	Total Deposit	Ratio
2020					
March	712,999,849	6,837,781	719,837,630	729,249,700	98.71%
June	751,766,601	6,575,784	758,342,385	750,729,452	101.01%
September	737,884,583	6,518,807	744,403,390	764,857,199	97.33%
December	708,960,687	6,243,970	715,204,657	766,081,299	93.36%
2021					
March	695,685,823	6,088,500	701,774,323	788,370,938	89.02%
June	692,640,306	5,664,053	698,304,359	797,781,735	87.53%
September	671,360,803	6,174,432	677,535,235	796,142,766	85.10%
December	659,037,466	6,435,532	665,472,998	800,672,315	83.11%
2022					
March	657,760,864	6,309,610	664,070,474	811,176,722	81.87%
June	708,840,367	7,073,697	715,914,064	822,713,978	87.02%
September	886,556,003	11,807,218	898,363,221	972,879,859	92.34%
December	893,279,938	12,104,406	905,384,344	945,720,142	95.73%
2023					
March	923,901,229	230,910	924,132,139	954,839,865	96.78%
June	923,052,378	209,457	923,261,835	951,214,414	97.06%
September	928,339,406	198,678	928,538,084	945,283,056	98.23%



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## Financial Statement as of 12.31.22

### Assets

Loans Receivable (net of Allowance for Loan Losses)	\$898,384,000
Equity Investments	3,717,000
Investments and Securities	185,635,000
Cash on Hand and in Banks	43,712,000
Office Buildings and Equipment (Less Depreciation)	30,224,000
Other Assets	51,040,000
<b>Total Assets</b>	<b>\$1,212,712,000</b>

### Liabilities

Deposit Accounts	\$944,356,000
Mortgage Escrow Accounts	1,364,000
Borrowed Funds	25,000,000
Deferred Income and Other Liabilities	6,432,000
<b>Total</b>	<b>\$977,152,000</b>

### Net Worth

Retained Earnings	\$235,560,000
Total Net Worth	235,560,000
<b>Total Liabilities and Net Worth</b>	<b>\$1,212,712,000</b>



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# **COMMUNITY REINVESTMENT ACT**

## **COMMENTS, COMPLAINTS, AND CORRESPONDENCE**

## **CRA CONSUMER COMPLAINTS OR COMMENTS**

- Rosedale Federal has not received any public comment YTD as of 2022
- Rosedale Federal has not received any public comments YTD as of 2021
- Rosedale Federal has not received any public comments YTD as of 2020.
- Rosedale Federal has not received any public comments YTD as of 2019
- Rosedale Federal has not received any public comments YTD as of 2018.

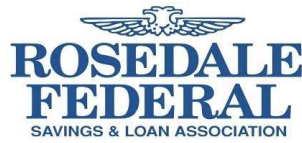




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# **COMMUNITY REINVESTMENT ACT**

## **HMDA REPORTS**



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## HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials.

These data are available online at the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

HMDA data for many other financial institutions are also available at this Web site.