

## 1. Project Overview

MCBC is soliciting and accepting proposals from insured individuals and organizations (“Candidates”) demonstrating their qualifications and experience with data related to mortgage and small business lending activities in Massachusetts, including but not limited to the following data sets: Home Mortgage Disclosure Act (HMDA), Bank/Thrift and Credit Union Call Reports, the Nationwide Mortgage Licensing System (NMLS), and Federal Financial Institution Examination Council CRA rating files.

All proposals submitted in response to this solicitation must conform to the required specifications outlined within Section 3 – Consultant and Proposal Requirements of document.

Candidates must be able to complete the work outlined in Appendix A - Detailed Scope of Work of this document within the timeline set forth in Section 5 – Timeline.

## 2. Background Information

The Massachusetts Community & Banking Council (MCBC) was established in 1990 to bring together community organizations and financial institutions to affect positive change in the availability of credit and financial services across Massachusetts. MCBC facilitates this by 1) encouraging community investment in low and moderate income and minority group neighborhoods and by 2) providing research and direction in understanding the credit and financial needs of low- and moderate-income individuals and neighborhoods.

To inform its membership and programming, MCBC commissions annual reports on mortgage lending and small business lending trends in the state of Massachusetts. The reports include annual data on lending trends in low-income and minority neighborhoods in Massachusetts with comparisons to local demographic characteristics. The primary goal of these reports is to contribute to improved credit flows to homebuyers and small business owners across Massachusetts, particularly in minority neighborhoods, by presenting a careful description of lending trends. Prior reports can be accessed on MCBC’s website <http://mcbc.info/publications/>

Over the last 10 years, the mortgage lending and small business lending reports were each authored by a different individual with whom MCBC would contract and oversee the development, production, and promotion of the reports. To improve operational efficiencies and ensure congruity of its reports, MCBC desires to contract with an individual, a team of individuals, organization, and/or team of organizations who will be contracted to develop the two lending reports and one online data exploration and visualization tool that will serve a companion to the reports. The online data exploration and visualization tool will provide interactive dashboards and charts derived from national databases related to the topics of mortgage and small business lending in Massachusetts.

In 2019, MCBC contracted with BankMaps LLC to develop an online data exploration tool using Tableau and data from six (6) national databases related to the subject of small business lending. It can be located on MCBC’s website: <http://mcbc.info/publications/cra-project/>. MCBC would like to expand and build upon this effort.

The genesis of these research efforts, reports and online data tools is MCBC's commitment to exploring the effect of the federal Community Reinvestment Act and Fair Housing regulations on lending patterns in traditionally underserved communities in Massachusetts.

The primary goal of this effort is to contribute to improved credit flows to communities across Massachusetts, particularly in minority and traditionally underserved areas by presenting a careful description of lending trends that interested parties can agree is fair and accurate. MCBC acknowledges that it is beyond the scope of these efforts to offer either an *explanation* of why the observed outcomes have occurred or an *evaluation* of how individual lenders have performed. Rather, these efforts are intended to serve as an important input into the ongoing tasks of *evaluation* and *explanation*.

### 3. Scope of Work

#### a. Project details

A detailed scope of work is provided in Appendix A.

#### b. Geographic Regions

The completed work will examine trends in home mortgage and small business lending across the Commonwealth of Massachusetts, including its 351 cities and towns.

Special attention will be given to:

- [Gateway Cities](#) as defined by MassInc;
- Greater Boston as defined by the [Boston Metropolitan Area Planning Council](#);
- neighborhoods in the City of Boston as defined by the Boston Planning and Development Agency.

#### c. Data Sources and Format

Provide and utilize data that reflects all 351 communities in Massachusetts from the following information (collectively referred to hereafter as the 'Data Sources'):

Demographic data: Incorporate 2010 and 2015 U.S. Census data when baseline demographic information is required. Current American Community Survey (ACS) data should be applied where applicable.

Lending data: Incorporate the last 10 years of publicly available data starting with the 2019 release of sources including, but not limited to: HMDA, Bank/Thrift and Credit Union Call Reports, and the Nationwide Mortgage Licensing System (NMLS), and Federal Financial Institution Examination Council Census Data, FDIC Branch & Deposit data, Small Business Administration data, and CRA data for small business loans.

#### d. Deliverables

- i. Narrative reports with summary data visualizations

All descriptive and narrative files for the report must be provided to MCBC for its exclusive use in MS Word and PDF formats.

All summary data tables and charts must be made available to MCBC for its exclusive use in Excel format.

To substantiate trends and findings, summary data tables and maps must be incorporated throughout the report (where appropriate) and be made available using the online data tool.

ii. Online data tool

All summary data for both narrative reports must be presented and made available in the online data tool.

The source code must be made available to MCBC for integration into its WordPress website: [mcbc.info](http://mcbc.info).

All maps must be in both a Tableau and ArcGIS-compatible format, with appropriate metadata.

Data tables, narrative files, and source code become the property of MCBC with the appropriate attribution to the author.

#### 4. Consultant and Proposal Requirements

a. Minimum Requirements

- i. Have the necessary computing/information technology infrastructure to handle, store and analyze the data sets for this project in a secure and sustainable manner to avoid any disruption or loss of data;
- ii. Be authorized to do business in the State of Massachusetts. The entity must be in good standing;
- iii. Read MCBC's conflict of interest policy and complete the conflict of interest form provided in Appendix C;
- iv. Satisfy insurance requirements: Prior to any individual contract award (but not as a part of the proposal submission), the successful proposer will be required to provide evidence of insurance coverages during the term of the contract at its sole cost and expense such as Workers' Compensation, Commercial General Liability, Vehicle Liability and/or Professional Liability.

b. Desired Requirements:

The following requirements are necessary for the successful performance and completion of the services described in APPENDIX A:

- i. Have previous or similar experience in collection, interpretation, development and presentation of the Data Sources;

- ii. Employ experienced staff or be experienced in researching, compiling, analyzing and summarizing the Data Sources;
- iii. Have the capacity to successfully complete and submit databases, data visualizations and reports to MCBC by the due date
- iv. Endeavor in good faith to work collaboratively and communicate regularly with MCBC, its directors, committee members, and members (individually and in groups) to develop the databases, data visualizations and reports

c. Submission of Proposals and Deadline

Electronic responses should be submitted in one consolidated pdf and electronically delivered by 5:00p.m. EST Thursday October 24th, 2019 to:

Regan St. Pierre  
[rstpierre@mcbc.info](mailto:rstpierre@mcbc.info)

Proposals will not be accepted after 5:00 p.m., local time, on Thursday, October 24th, 2019. Proposals will be reviewed confidentially. There is no expressed or implied obligation for MCBC to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

d. Equal Opportunity

All qualified contractors will receive consideration without regard to race, color, religion, sex, national, origin, disability and familial status. Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) are encouraged to submit proposals.

e. Questions about the Request for Proposal

This RFP is available for download from MCBC's website at: <http://mcbc.info/announcement/mcbclendingreportsrfp>

All applicants intending to respond to the RFP must register using the form located at <http://mcbc.info/announcement/mcbclendingreportsrfp>

Questions raised by the proposers concerning the RFP must be submitted in writing via e-mail to ensure a fair and impartial process. Telephone or other types of inquiries will not be accepted.

Proposers shall contact Regan St. Pierre before 5:00 p.m. on October 9, 2019 via [Rstpierre@mcbc.info](mailto:Rstpierre@mcbc.info) using the e-mail subject line "MCBC Lending Reports RFP Question".

Questions received by 5:00pm on October 9, 2019 will be answered by 4:00 p.m. on October 11, 2019. No other question sessions or conferences will be held. All questions and answers related to this RFP will be supplied to registered firms and individuals.

If, prior to the proposal deadline, MCBC deems it necessary to provide additional clarifying information, or to revise any part of the RFP, supplements or revisions will be provided to all respondents who have indicated they will submit a proposal. The RFP Addendums will also be posted at: <http://mcbc.info/announcement/mcbclendingreportsrfp>

Proposals will be evaluated based on the terms and conditions of the RFP, any supplements or revisions to the RFP and the answers to any written e-mail questions.

f. Minimum Proposal Requirements

Each proposal responsive to the Scope of Work contained in Appendix A will be evaluated by criteria outlined in this RFP.

MCBC intends to evaluate the proposals pursuant to a "Best Value" basis. "Best Value" will consider factors other than just cost in making the award decision. All proposals must be formatted in accordance with the numbered sequence noted below.

Each proposal should include the following sections and each section should include information that will enable MCBC to make their decision. Failure to provide specific detailed information may result in a proposal being rejected.

Contents of the proposal should include:

- i. Cover Letter - Provide a one-page cover letter on company letterhead that includes the complete legal name, address, telephone number, and e-mail address of the contact person or persons. List the name and title of each person authorized to represent the company in negotiations. The cover letter must be signed by an authorized agent.
- ii. Company Profile - Provide a brief history and description of the company including the year established, former name and year established if applicable, name of parent company and date acquired if applicable. Identify principals/partners by name, title, and brief resume for each.
- iii. Qualifications and Experience- Provide a statement of qualifications for the organization, including an organizational chart, statement of company size, description of services provided and a statement of the extent of experience/history providing services requested under this RFP.
- iv. Provide a list of client references for which the Consultant has provided similar services, including the name, email address, street address and phone number of each client. Indicate the type, scope and duration of work completed for each client.
- v. If currently under contract providing similar type of services to an entity, please disclose those services and clients, if possible.
- vi. Project Team- Describe the project team. List names, titles, professional qualifications and provide resumes or curriculum vitae of key individuals and their responsibilities.
- vii. Proposed Approach and Work Plan - Describe the strategy and approach to be used to satisfy the Scope of Work as outlined in APPENDIX A. Include specific methodologies to complete each aspect of the project. Identify input strategies and key "deliverables".

- viii. List any items that cannot be provided.
- ix. Schedule - Provide a detailed work plan including a timeline and milestones to convey how the Scope of Work will be completed on time.
- x. Project budget and justification, including a detailed breakdown of each report, online data tool, and participation in MCBC's two lending forums
- xi. Read MCBC's Conflict of Interest policy and complete the form provided in Appendix B..

## 5. Evaluation Criteria

### a. Screening and Selection Criteria

MCBC will score all qualified proposals and if MCBC deems it necessary in its sole discretion, may invite finalists to make a presentation and respond to questions. Following the completion of its review, MCBC will choose the most responsive proposal based on its overall strength. Final selection is not restricted to any single factor such as cost. Each proposal will be rated and ranked based on the following 100-point scoring criteria:

#### **PROJECT MANAGEMENT (20 points)**

- Demonstration of organizational capacity to manage project
- Qualifications and experience of completing of similar projects successfully
- Accessibility of consultants and customer service
- Communication skills, including clarity of proposal

#### **PROJECT TEAM (15 points)**

- Demonstrated familiarity with federal Community Reinvestment Act and fair housing laws
- Demonstrated experience and expertise of the staff assigned to undertake the project
- Familiarity with the Commonwealth of Massachusetts, its state Community Reinvestment Act regulations, and the small business and housing markets
- Knowledge and experience working with public and private entities in the community development industry and engaging multiple stakeholders
- Knowledge and experience in conducting research, surveys, data collection and analysis

#### **QUALITY OF PROPOSAL (30 points)**

- Clarity and completeness of proposed work plan
- Responsiveness to the project's objectives
- Effectiveness and creativity of proposed scope of services
- Specific approach and methodologies for completing various aspects of the report and online data tool

#### **PROJECT DELIVERABLES (10 points)**

- Clarity and completeness of proposed deliverables
- Demonstration of ability to meet proposed time frame

**BUDGET (25 points Maximum)**

- Total price
- Cost reasonableness
- Clarity and completeness of proposed budget and budget justification with itemized budget and detailed explanation of costs

Inaccuracy of any information supplied within a proposal or other errors constitute grounds for rejection.

b. Presentation

As noted above, MCBC may contact firms and/or individuals deemed most qualified based on the proposal scoring and request that they make presentations and/or respond to questions. Respondents will be advised by email of the exact time and location for the presentation. Failure to make such presentations or respond to questions as presented may result in the disqualification from further consideration.

**6. Timeline and deliverables**

a. Schedule

The selected respondent must be able to satisfy the following timelines for each deliverable:

Date	Deliverable	Notes
September 25, 2019	MCBC Releases Lending Report RFP	
October 24, 2019	RFP Responses due to MCBC	
November 6 <sup>th</sup> , 2019	MCBC Announces RFP Selection	
November – December 2019	Status meetings for mortgage lending report and online data tool - TBD	Provide a written summary 3 days in advance of each status meeting noted in Section 5.a outlining progress based on the Scope of Work; provide meeting notes within 3 days of each status meeting
December 30 <sup>th</sup> , 2020	Final draft issuance of Mortgage Lending Report, Infographic and Online Data Tool	Revised draft of the written report (describing the mortgage lending trends in Massachusetts from 2008-2018 that includes all charts described in Appendix A) that incorporates comments from MCBC and its review committee members, which will be compiled and delivered no later than December

		16 <sup>th</sup>
January 15 <sup>th</sup> , 2020	Release of Mortgage Lending Report, Infographic and Online Data Tool	
January 29 <sup>th</sup> , 2020	MCBC Mortgage Lending Forum	15-minute presentation by the respondent on the report findings
March - April 2020	Status meetings for small business lending report and online data tool – TBD	Provide a written summary 3 days in advance of each status meeting noted in Section 5.a outlining progress based on the Scope of Work; provide meeting notes within 3 days of each status meeting
April 29, 2020		Revised draft of the written report (describing the lending trends in Massachusetts from 2008-2018 that includes all charts described in Appendix A) that incorporates comments from MCBC and its review committee members, which will be compiled and delivered no later than April 15 <sup>th</sup>
May 13 <sup>th</sup> , 2020	Release of Small Business Lending Report, Infographic and Online Data Tool	
May 27 <sup>th</sup> , 2020	MCBC Small Business Lending Forum	15-minute presentation by the respondent on the report findings

*The Massachusetts Community & Banking Council is an equal opportunity employer. We value a diverse workforce and an inclusive culture. MCBC encourages applications from all qualified individuals without regard to race, color, religion, gender, sexual orientation, gender identity or expression, age, national origin, marital status, citizenship, disability, veteran status, or record of arrest or conviction.*



## Appendix A – Detailed Scope of Work

### A. Mortgage Lending Resource

a. The MCBC Mortgage Lending Resource should inform the following research questions:

- What do mortgage lending trends in Massachusetts look like at the city, county, state level?
- What do mortgage lending trends in Massachusetts look like by borrower, specifically taking into account income, race, and ethnicity?
- What financial institutions are lending to low- and moderate-income (“LMI”) households to LMI geographies, and to households protected by the federal fair lending laws?
- What mortgage products do LMI households and households of color receive? What factors are driving these outcomes?

b. The MCBC Mortgage Lending Resource should contemplate the following data points that are widely referenced by our members and community partners provided in similar resources:

i. Changing Patterns XXV

1. Exhibits 6, 8, 11
2. Tables 4 -9, 17-28
3. Appendix Tables 7-10
4. Supplemental Tables 2, 3

ii. CFPB 2017 Mortgage Market Activity & Trends report

1. Tables: 2A, 5A, 6A, 7A, 11B, 11C

iii. Urban Institute's Community Reinvestment Act Lending Data report

1. Single-Family Mortgage Lending, by Lender Market Share;
2. Single-Family Lender Concentration, by Lender Market Share in MSAs;
3. Single-Family LMI Mortgage Lending, Bank vs. Non-Bank
4. Single-Family Mortgage Lending by Bank Size,
5. Single-Family Mortgage Lending Inside and Outside Assessment Areas

iv. Association for Neighborhood & Housing Development report

1. Pie charts comparing population share to Black loan share;
2. Percentage of Loans to Borrowers of Color Among “CRA loans”
3. Home Purchase by Race/Ethnicity,
4. Percentage of Home Purchase Loans by Bank vs. Non-Banks

- c. The MCBC Mortgage Lending Resource should generally include the following data points:

1. **Data, Glossary & Methodology overview**

1. Describe data accessed: Federal Financial Institution Examination Council CRA rating files, HMDA, Bank/Thrift and Credit Union Call Reports, and the Nationwide Mortgage Licensing System (NMLS)
2. Describe data coverage of the mortgage market nationally and in Massachusetts

2. **Mortgage lending activity trends including: pre-approval requests, applications and originations**

1. **Map mortgage lending activity** by census tract, town, county and MSA over the last 10 years, denoting LMI census tracts and minority majority census tracts
2. **Chart** – quantify the volume of applications and originations for first lien owner occupied properties by bank and nonbank types:
  1. **Overall lending volume** - # loans, dollar volume (DV), lending share, average loan size
  2. **LMI lending (by loan count)** - # loans, DV, lending share, average loan size
  3. **LMI lending (by dollar volume)** - loans, DV, lending share, average loan size
  4. **Average LMI loan size – LMI lending, LMI borrowers, LMI areas-** loans, dollar volume, lending share, average loan size
3. Repeat chart 2.2 by loan type: FHA lending, VA lending, Conventional lending, higher priced share of conventional loans

3. **Mortgage outcomes for demographic groups defined by applicant income, race and ethnicity demographics, benchmarked by population representation**

1. **Map mortgage outcomes** by census tract, neighborhood, town, county and MSA over the last 10 years (denoting LMI and minority majority census tracts)
2. **Chart** – quantify relative loan shares, product usage, denials, and mortgage pricing, including
  1. Distribution of home- purchase and refinance loans
  2. Average loan size
  3. Jumbo lending
  4. Variation across demographic groups in nonconventional loan use
  5. Denial rates and reasons

4. **Incidence of higher-priced lending by group and loan type for home-purchase and refinance loans**

1. **Map** the Incidence of higher priced lending by census tract, town, county and MSA over the last 10 years, denoting LMI census tracts and minority majority census tracts
2. **Chart** -quantify the incidence of higher priced lending (conventional and nonconventional) by loan type and borrower race and ethnicity
3. **Chart** – quantify the number and share of loans with APOR spread above 1.5 percentage points, by property type, purpose and type of loan
4. **Chart** the distribution of loans with APOR spread above 1.5 percentage points, by property type, purpose and loan type

5. **Lending activity by type of institution including small bank, large bank, credit union, affiliated mortgage company, independent mortgage company**

1. **Chart** – quantify lending activity by type of institution by characteristics including:
  1. CRA vs Non-CRA reporters
  2. CRA share (loan count and dollar volume)
  3. LMI lending share (loan count and dollar volume)
  4. LMI borrower share (loan count and dollar volume)
  5. LMI area share (loan count and dollar volume)
  6. Average loan size, average LMI loan size, average CRA loan size
2. **Chart** – quantify lending activity by type of institution using the characteristics above in 5.1 by breaking them out by:

1. Inside assessment area
2. Outside assessment area
3. Calculating share inside and outside assessment area
3. **Chart** – quantify using information in 2.1, type of institution and by loan type:
  1. Loan count
  2. CRA share (by loan count)
  3. Share of total CRA lending
  4. Share of total lending
  5. Average loan size
4. **Chart** – Repeat 3.4 by type of institution and loan type including: FHA lending, VA lending, Conventional lending. & higher priced share of conventional loans
5. **Map** lending activity that is CRA eligible by census tract, town, county and MSA over the last 10 years, denoting LMI census tracts and minority majority census tracts:
  1. Loans to low-moderate income borrowers vs. middle-upper income borrowers
  2. Loans to low-moderate income borrowers vs. middle-upper income borrowers in LMI tracts
6. **Chart** characteristics of home-purchase loans of top 100 respondents by market share:
  1. Loan count
  2. CRA share (by loan count)
  3. Share of total lending
  4. Share of total CRA lending
  5. Loan type: FHA lending, VA lending, Conventional lending, higher priced share of conventional loans
  6. LMI borrower, LMI neighborhood
7. **Chart** characteristics of refinancing loans of top 100 respondents by market share:
  1. Loan count
  2. CRA share (by loan count)
  3. Share of total lending
  4. Share of total CRA lending
  5. Loan type: FHA lending, VA lending, Conventional lending, higher priced share of conventional loans
  6. LMI borrower, LMI neighborhood
8. **Chart** – quantify lending concentration by MSA by showing the top 10 lenders in each MSA by market share and LMI market share

## B. Small Business Lending Report

a. The MCBC Small Business Lending Report should inform the following research questions:

- What do small business lending trends in Massachusetts look like at the city, county, state level?
- What do small business lending trends in Massachusetts look like by low- and moderate-income ("LMI") and minority majority neighborhoods, specifically taking into account income, race and ethnicity?
- What financial institutions are lending to LMI and minority majority census tracts, neighborhoods, cities, and counties in Massachusetts?
- What are the characteristics of the small business loan products LMI and minority majority geographies receive? What factors are driving these outcomes?

b. The MCBC Mortgage Lending Resource should contemplate the following data points that are widely referenced by our members and community partners provided in similar resources:

i. MCBC's 2017 Small Business Lending Report (released in May 2019)

1. CRA Loans, Loan Volume & Average Loan Size by geography and year
2. Changes in Lenders and Loan Volume by lender type and by year
3. Loans by CRA Lenders by Original Amount & Borrower Revenue
4. Loans by CRA Lenders in Lower Income & in Minority Majority Areas
5. Loans in Lower Income Areas by Lender Type

ii. Urban Institute's Community Reinvestment Act Lending Data report

1. Small Business Lending: Top Lending Banks, by Dollar Volume

iii. Latino-Owned Businesses: Shining a Light on National Trends by Claire Kramer Mills, Ph.D., Jessica Battisto, and Scott, Lieberman, Federal Reserve Bank of New York; Marlene Orozco and Iliana Perez, Ph.D., Stanford Latino Entrepreneurship Initiative; and Nancy S. Lee, Ph.D., Interise  
November 13, 2018

1. Chapter 2, National Small Business Trends

c. The MCBC Small Business Lending Resource should generally include the following data points:

6. **Data, Glossary & Methodology overview**
  1. Describe data accessed: Federal Financial Institution Examination Council Census Data, FDIC Branch & Deposit data, Bank/Thrift and Credit Union Quarterly Call Reports, Small Business Administration data, CRA data for small business loans
  2. Describe data coverage of the small business lending market nationally and in Massachusetts
7. **Small business lending activity trends including: applications and originations**
  1. **Map small business lending activity** by census tract, town, county and MSA over the last 10 years, denoting LMI census tracts and minority majority census tracts
  2. **Chart** – quantify the volume of applications and originations for small business owner by bank and nonbank types:
    1. **Overall lending volume** - # loans, dollar volume (DV), lending share, average loan size
    2. **LMI lending (by loan count)** - # loans, DV, lending share, average loan size
    3. **LMI lending (by dollar volume)** - loans, DV, lending share, average loan size
    4. **Average loan size – LMI lending, LMI areas**- loans, dollar volume, lending share, average loan size
  3. Repeat 2.2 by loan type: SBA lending, CDFI lending, NCUA lending
8. **Small business lending outcomes for demographic groups defined by income, race and ethnicity demographics, benchmarked by population representation**
  1. **Map lending outcomes** by census tract, neighborhood, town, county and MSA over the last 10 years (denoting LMI and minority majority census tracts)
  2. **Chart** – quantify relative loan shares and product usage, including
    1. Distribution of loans
    2. Average loan size
    3. Variation across demographic groups in nonconventional loan use
  3. Repeat 3.2 by loan type: SBA lending, CDFI lending, NCUA lending
9. **Business lending under \$100K**
  1. **Map small business lending activity** by census tract, town, county and MSA over the last 10 years, denoting LMI census tracts and minority majority census tracts
  2. **Chart** – quantify the volume of applications and originations for small business owner by bank and nonbank types:
    1. **Overall lending volume** - # loans, dollar volume (DV), lending share, average loan size
    2. **LMI lending (by loan count)** - # loans, DV, lending share, average loan size
    3. **LMI lending (by dollar volume)** - loans, DV, lending share, average loan size
    4. **Average loan size – LMI lending, LMI areas**- loans, dollar volume, lending share, average loan size
  3. Repeat 2.2 by loan type: SBA lending, CDFI lending, NCUA lending
10. **Lending activity by type of institution including small bank, large bank, credit union, affiliated mortgage company, independent mortgage company**
  1. **Chart** – quantify lending activity by type of institution by characteristics including:
    1. CRA vs Non-CRA reporters
    2. CRA share (loan count and dollar volume)
    3. LMI lending share (loan count and dollar volume)
    4. LMI borrower share (loan count and dollar volume)
    5. LMI area share (loan count and dollar volume)
    6. Average loan size, average LMI loan size, average CRA loan size
  2. **Chart** – quantify lending activity by type of institution using the characteristics above in 5.1 by breaking them out by:
    1. Inside assessment area
    2. Outside assessment area
    3. Calculating share inside and outside assessment area
  3. **Chart** – quantify using information in 2.1, type of institution and by loan type:
    1. Loan count
    2. CRA share (by loan count)

3. Share of total CRA lending
4. Share of total lending
5. Average loan size
4. **Chart** – Repeat 3.4 by type of institution and loan type including: SBA lending, CDFI lending, NCUA lending
5. **Map** lending activity that is CRA eligible by census tract, town, county and MSA over the last 10 years, denoting LMI census tracts and minority majority census tracts:
  1. Loans to LMI neighborhoods vs. middle-upper income neighborhoods
  2. Loans to Minority Majority neighborhoods vs. non-Minority Majority neighborhoods
6. **Chart** characteristics of small business loans of top 100 lenders by market share:
  1. Loan count
  2. CRA share (by loan count)
  3. Share of total lending
  4. Share of total CRA lending
  5. Loan type: SBA lending, CDFI lending, NCUA lending
  6. LMI neighborhood, Minority Majority neighborhoods

## Appendix B. – MCBC Conflict of Interest Policy and Acknowledgement Form

### MASSACHUSETTS COMMUNITY & BANKING COUNCIL Conflict of Interest Policy

The purpose of the Conflict of Interest Policy is to protect the interest of the Massachusetts Community & Banking Council (MCBC), a tax-exempt organization, when it is contemplating entering into a transaction that might benefit the private interest of an officer or director of MCBC or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### B. Definitions

##### 1. Interested Person

Any director, principal officer or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

##### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

1. (a) An ownership or investment interest in any entity with which MCBC has a transaction or arrangement,
2. (b) A compensation arrangement with MCBC or with any entity or individual with which MCBC has a transaction or arrangement, or
3. (c) A potential ownership or investment interest in, or compensation agreement with, any entity or individual with which MCBC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section C of this Policy (Determining Whether a Conflict of Interest Exists), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

#### C. Procedures

##### 1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

## 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

## 3. Procedures for Addressing the Conflict of Interest

1. (a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. (c) After exercising due diligence, the governing board or committee shall determine whether MCBC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MCBC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

## 4. Violations of the Conflicts of Interest Policy

1. (a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## D. Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:



1. (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
  2. (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
5. Compensation
1. (a) A voting member of the governing board who receives compensation, directly or indirectly, from MCBC for services is precluded from voting on matters pertaining to that member's compensation.
  2. (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MCBC for services is precluded from voting on matters pertaining to that member's compensation.
  3. (c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly, from MCBC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. (a) Has received a copy of the Conflicts of Interest Policy,
2. (b) Has read and understands the Policy,
3. (c) Has agreed to comply with the Policy; and
4. (d) Understands that MCBC is tax-exempt and in order to maintain its federal tax exemption it must

engage primarily in activities which accomplish one or more of its tax-exempt purposes.

7. Periodic Reviews

To ensure that MCBC operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

2. (b) Whether partnerships, joint ventures, and arrangement with management organizations conform to MCBC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### H. Use of Outside Experts

When conducting the periodic reviews as provided for in Section G, above, MCBC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic review are conducted.

Policy approved by MCBC Board of Directors October 30, 2012

Conflict of Interest Policy Annual Statement

In accordance with MCBC's Conflict of Interest Policy, I affirm that:

- I have received a copy of MCBC's Conflict of Interest Policy
- I have read and understood the Policy
- I have agreed to comply with the Policy, and
- I understand that MCBC is tax-exempt and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

Please indicate below any known financial interest you or a member of your family has in any business entity, which transacts business with MCBC.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_