

**Community Reinvestment Act
Strategic Plan**

of

American Challenger Bank, N.A.
(proposed)
Stamford, Connecticut

November 10, 2020

CRA STRATEGIC PLAN
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SECTION 1: INTRODUCTION

A. General Information

American Challenger Bank, N.A. (“Bank”) will be a nationally chartered online bank headquartered in Fairfield, Connecticut, subject to examination and regulation by the Office of the Comptroller of the Currency (“OCC”), an independent bureau of the U.S. Department of the Treasury and Bank’s primary federal banking regulator. Bank’s deposits will be insured to applicable limits by the Federal Deposit Insurance Corporation (“FDIC”). Bank is a subsidiary of American Challenger Development Corp., a bank holding company subject to examination and oversight by the Federal Reserve Bank of New York.

As an insured depository institution subject to OCC oversight, Bank is subject to the Community Reinvestment Act of 1977 (“CRA”), which requires FDIC-insured banks to help meet the credit needs of their entire community, including low- and moderate-income households and neighborhoods. As a digital bank, Bank will not operate retail branch offices or deposit-taking ATMs accessible to the public. In light of Bank’s nationwide direct business model and lack of retail branches, Bank has elected to be evaluated under the “strategic plan” option as provided in 12 C.F.R. § 228.18.

B. Bank’s Specialized Business Model

Bank’s core business will be to deliver traditional banking products nationwide via a digital platform and provide a re-imagined customer experience. Bank’s products will include:

- Retail deposit account offerings;
- Residential mortgage products; and
- Lending to middle-market commercial customers.

Bank’s vision is:

“Banking, the way it should be – a rewarding, personal experience that helps you thrive.”

This vision is anchored on four pillars. First, delivering a compelling and personalized experience by offering traditional banking products delivered through a re-imagined customer experience. Bank will offer personalized, concierge-level customer experience for all clients via digital and call center channels. Second, by leveraging a modern technology infrastructure and a team with deep operating experience that knows how to use it, Bank will be a highly efficient bank, and be able to pass a portion of those savings along to its customers. Third, by focusing on a diversified mix of deposits critical to ensure Bank’s liquidity, viability and scalability. Fourth, by generating a diversified mix of safe assets with a track record of “through the cycle” success. The combination

of these factors will enable Bank to maintain strong capital and earnings while better serving its customers and their communities through attractive products, pricing, and a positive customer experience.

Customer Experience: Bank will re-imagine the customer experience by providing a leading online experience for all clients. While it will serve all customers across the household income spectrum and regardless of race or color, national origin, religion, sex, sexual identify, family status or disability, Bank will also focus on the so-called “Generation X.” This cohort is 39-54 years old and comprises aspiring professionals with families, professional careers, and busy social lives. Bank’s market research indicates that Gen Xers are motivated to build a better future for themselves and their families, balancing career pressures and complex family needs, and in search of current information to empower themselves rather than rely on “black-box” solutions. Importantly, they are open to digital banking. Bank will have product offerings targeting their distinct financial needs, focusing initially on competitive savings and home mortgage products and then expanding into credit cards and investment advice.

Technology: Bank will not be burdened with a costly branch system or legacy technology. Bank will be able to adopt the most current and efficient technology solutions, thereby allowing it to be nimble in its response to changing customer demands. Bank will be able to pass on a portion of the resulting savings to depositors in its initial anchor product, a competitively-priced savings account.

Diversified Deposit Mix: Initially, Bank’s deposit offerings will include competitively priced savings accounts, Money Market Deposits Accounts (“MMDAs”), and Certificates of Deposit. MMDA customers will have access to traditional account services including, but not limited to, third-party automated teller machine (“ATM”) access, debit cards, check writing, remote deposit capture, and bill pay services. In the second year of operations, Bank intends to expand deposit offerings to include demand deposit accounts, which will also include traditional checking account services. Bank also intends to participate as a “program bank” with a deposit aggregator that helps consumers earn the highest yields available while keeping balances within the \$250,000 FDIC limit and as a program bank in one or more deposit funding products (e.g., sweep deposits, network deposits) offered by unaffiliated broker-dealers. These latter funding products are designed to provide banks with access to institutional cash via high-quality stable deposits. This diversified deposit mix will provide Bank with the stable funding it needs to be able to grow its business and product offerings to better serving its customers and their communities.

Diversified Asset Mix: Bank will offer a variety of residential mortgage products to consumers through its digital channels and call center(s) including a variety of home mortgage products, home equity loans and home equity lines of credit. Bank will also offer a suite of commercial and industrial and commercial real estate loan products, focusing primarily on middle market commercial loan clients in the health care and other niche industry sectors. Bank will acquire indirect consumer and commercial loans originated by or through third parties. Initially, this will comprise the purchase, on

a flow basis, of residential mortgage loans and solar and other home improvement loans from correspondent originators. This asset mix is diversified across products, industries and customers, and will yield stable returns under a range of economic scenarios allowing Bank to be a stable source of financial support for its customers and their communities.

C. Financial Information

Bank will be well-capitalized throughout the period covered by this CRA Strategic Plan (“Plan”). At the end of its first year of operations, Bank’s total assets are projected to exceed \$4.0 billion and Bank expects to be profitable in its second year of operations. At the end of its first year of operations, Bank’s loan portfolio will be approximately 36% single-family mortgages, 47% commercial and industrial loans, and 18% asset-backed loans. At the end of its three years of operation, Bank is projected to approach \$11.5 billion in total assets. [REDACTED]

[REDACTED] Notably, Bank’s average assets over the three-year duration of the Plan are expected to approximate \$6.0 billion.¹

¹ Average Assets [REDACTED] are computed as a “four-point average” by taking the sum of the Total Assets as of Day One and as the end of each of Years 1, 2 and 4 and dividing that sum by four).

SECTION 2: COMMUNITY REINVESTMENT ACT

A. CRA Requirements

Operating from its headquarters location in greater Stamford, Connecticut, Bank will be a nationwide digital bank with no retail branches or deposit-taking ATMs. The CRA encourages banks to help meet the credit needs of the communities in their assessment area(s), which include the communities in which they operate deposit-taking, full-service branches. The CRA Rule 12 C.F.R. 25.18 states, “For a *de novo* bank, the assessment area delineations should include the projected location of its facilities, retail domestic deposit base, and lending activities.” Bank will be marketing its products nationwide but will monitor the location of its deposit base and lending activities as it grows. In compliance with the OCC CRA Rule, Bank will amend its delineated assessment area(s) as it grows.

For banks that do not have retail offices accessible to the public, the CRA regulations allow banks to elect to be assessed under a CRA Strategic Plan. Compliance with the CRA through a strategic plan provides banks the opportunity to design programs that are appropriate to their own capabilities, business strategies, and organizational framework, as well as the communities they serve. This option will allow Bank to tailor its efforts to meet the credit needs in its assessment area to its unique business plan.

The CRA Strategic Plan option was developed to provide institutions with more flexibility and certainty regarding what aspects of their performance will be evaluated and what quantitative and qualitative measures will be applied. To exercise this option, Bank must informally seek suggestions from the public while developing its Plan, solicit formal public comment on its resulting Plan, and submit the Plan to its regulatory agency (along with any written comments received from the public and an explanation of any changes made to the Plan in response to those public comments).

To be approved by a federal banking agency, a CRA strategic plan must have measurable goals and address how the institution plans to meet the credit needs of its assessment area, in particular, with respect to low- and moderate-income households and otherwise in low- and moderate-income geographies, through community development (“CD”) lending, investments, and services, as appropriate. Although the institution’s CRA strategic plan should generally emphasize lending goals, the rule allows institutions such as Bank the flexibility to choose a different emphasis, as necessary, given their business strategy and the needs of their community. Ultimately, the CRA strategic plan must contain goals that, if met, would constitute “Satisfactory” performance.

On May 20, 2020, the OCC released a final rule to strengthen and modernize the OCC's regulatory framework implementing the CRA ("CRA Rule").² Strategic plan institutions subject to OCC regulation must comply with the provisions of the new CRA Rule, which continues to allow OCC-regulated institutions to opt to be evaluated under strategic plans.

However, there are two key additional requirements in the CRA Rule that impact OCC-regulated strategic plan banks. The first concerns assessment areas. If a bank obtains 50% or more of its retail deposits from outside its facilities-based assessment area(s), then it must also define non-overlapping deposit-based assessment area(s) for each geography where the bank obtains 5.0% or more of its retail deposits. A bank may delineate its deposit-based assessment area(s) at any geographical level up to the state level, including at the metropolitan divisions, MSA, or non-MSA level, provided the deposit-based assessment area(s) do not overlap the bank's facility-based assessment area(s).

The second concerns reporting. A summary of the reporting that the Rule requires of strategic plan banks is provide below. The CRA Rule requires an OCC-regulated bank operating under a strategic plan to collect and maintain, along with supporting documentation, the following:

- Certain performance standards data, including the bank's: retail lending distribution test ratios; CRA evaluation measure and each assessment area CRA evaluation measure; the bank's CD minimum and each assessment-area level CD minimum, and the bank's presumptive ratings.
- For all qualifying retail and CD loans, CD investments, and CD services, the location of the loan, investment, or service; an indicator of whether a multiplier applies to the loan, investment or service; and the qualifying activities criteria that the loan, investment, or service satisfies.
- Data for originations of non-qualifying home mortgage loans, small loans to businesses, small loans to farms, and consumer loans made by the bank.
- The total number of retail loans (home mortgage loans, small loans to a business, small loans to a farm, or consumer loan) that are originated during the annual period; the number of these loans that are originated in low and moderate-income census tracts at the county or county equivalent level; the number of home mortgage and consumer loans originated to low- and moderate-income borrowers; and the number of small loans to businesses and small loans to farms originated to CRA-eligible businesses and farms, respectively.
- A list of assessment areas and within each assessment area, each county or county-equivalent, Metropolitan District, nonmetropolitan area, Metropolitan Statistical Area, or state.
- Information on deposit-taking facilities.

² <https://www.occ.treas.gov/news-issuances/news-releases/2020/nr-occ-2020-64.html>. Notably, the CRA Rule only applies to Bank's regulated by the OCC; it is not an interagency rulemaking.

- The value of each retail domestic deposit account and the physical address of each depositor and report their average quarterly retail domestic deposits as of the close of business on the last day of each quarter.

The CRA Rule also provides that a strategic plan bank may petition the OCC to consider appropriate exemptions from specific data collection, recordkeeping, and reporting requirements based on individual facts and circumstances. Likewise, the OCC may require additional bank-specific data collection, recordkeeping, and reporting under a strategic plan, as appropriate. Presumptive CRA performance evaluation ratings.³

B. Strategic Plan - Overall Focus, Effective Date, and Term

Bank's CRA Strategic Plan will focus on supporting the credit needs of its defined assessment area through direct community development lending and investments and services in its designated Assessment Area ("AA"), the Bridgeport-Stamford-Norwalk Metropolitan Statistical Area (the "MSA"), which includes all of Fairfield County, Connecticut. Bank management and staff will actively participate with local and regional organizations that serve low- and moderate-income households and neighborhoods and enhance economic development in the AA and broader region.

The effective date of Bank's CRA Strategic Plan is anticipated to be March 31, 2021, or 90 days after Bank receives its charter and commences operations. The Plan will have a three-year term.

C. Bank's Commitment to CRA

Bank's Board of Directors ("Board") and senior management are committed to achieving meaningful impact in Bank's communities. To this end, Bank has established a comprehensive CRA Program that involves participation from the Board, senior management, Bank's CRA and Fair and Responsible Banking Officer ("CRA Officer") and Bank employees. The Board will delegate oversight over the CRA Program to the Board Audit Committee. The Bank-wide CRA and Fair Lending Committee ("CRA Committee") will be responsible for oversight of Bank's CRA activities as set forth in the committee's charter, Bank's CRA Policy, Bank's approved CRA Strategic Plan and applicable regulations. The CRA Committee is comprised of members of each of Bank's primary business units and reports into the Audit Committee of the Board.

³ The CRA Rule states: "On an annual basis, these banks must report the quantified dollar value of qualifying retail loans, CD loans, CD investments, and CD services. The final rule also requires these banks to collect and maintain data for originations of non-qualifying home mortgage loans, small loans to businesses, small loans to farms, and consumer loans made by the bank. Banks must annually report, among other things, the total number of retail loans (home mortgage loans, small loans to a business, small loans to a farm, or consumer loan) that are originated during the annual period; the number of these loans that are originated in low- and moderate-income census tracts at the county or county equivalent level; the number of home mortgage and consumer loans originated to low- and moderate-income borrowers; and the number of small loans to businesses and small loans to farms originated to CRA-eligible businesses and farms, respectively."

D. Program Oversight and Resources

Bank's CRA Officer has primary responsibility for managing Bank's compliance with the statutory and regulatory CRA lending, investment, and service requirements and related guidance, and reports to Bank's Chief Risk Officer ("CRO"). The CRA Officer serves as a subject matter expert on CRA laws and regulations and oversees an infrastructure to support effective CRA processes at the corporate and line of business levels. The CRA Officer is responsible for metrics and performance reporting that ultimately goes to the Board as well as developing training material for the Board, management and employees to help them understand their CRA responsibilities. The CRA Officer collaborates with business-line management to evaluate new opportunities that support community reinvestment. The CRA Officer also chairs the CRA Committee.

As noted previously, the CRA Committee assists and supports the CRA Officer in promoting effective management of Bank's CRA and Fair Lending programs, including setting CRA goals and objectives and ensuring Bank operates in compliance with fair lending laws and regulations. The CRA Committee consists of the CRA Officer, who chairs the committee, and management representation from each of Bank's primary business units. The CRA Committee reports into the Board Audit Committee. In addition, Bank will appoint a Community Outreach Officer who will be responsible for increasing Bank's financial outreach in LMI census tracts within the AA for the specific purpose of directly originating CRA qualifying residential mortgage loans.

The responsibility for CRA goes to the top of the organization. Part of the responsibilities of Board members is being aware of and ensuring that Bank helps to meet the credit and community development needs of the communities it serves. The Board will receive regular updates on Bank's progress in meeting its CRA goals from the Board Audit Committee. Board members are an integral part of the process for identifying the credit needs in the assessment area and providing support for the efforts to meet these needs.

E. Development of Bank's CRA Strategic Plan

Bank's management took the following steps to develop the 2021-2023 CRA Strategic Plan:

- Evaluated the current business model, relevant financial information, business strategy, products, performance context and competitive environment.
- Considered demographic information and current economic conditions within Bank's AA.
- Assessed the community development, affordable housing, credit, and financial education needs of the communities in the AA as well as the broader community Bank serves.
- Evaluated, during this development phase, various resource materials and communicated with various representatives of local and nationwide community development organizations to informally seek suggestions on the Plan.

- Developed goals for lending, investment, and service activities that are responsive to the needs of the AA, and reflect Bank’s *de novo* status. This document describes Bank’s Plan for the three-year period for calendar years 2020 to 2023.

Bank has established a goal of meeting or exceeding the metrics described in the Plan for performance in community development lending, investment, and service levels in each of the three years covered in the Plan. It is the intent and expectation of management that Bank will meet or exceed all “satisfactory” goals established in this Plan.

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SECTION 3: BANK'S ASSESSMENT AREA

A. Definition

The new OCC rule (“CRA Rule”) implementing the CRA (12 C.F.R. 25.18.) requires Bank to delineate one or more AAs within which the OCC will evaluate Bank’s record of helping to meet the credit needs of its community to be served. The CRA Rule also requires the Bank to delineate “facility-based” AAs encompassing each location where Bank maintains a main office, branch, or non-branch deposit-taking facility that is not an ATM, as well as the surrounding locations in which Bank has originated or purchased a substantial portion of its qualifying retail loans. In addition, the CRA Rule also mandates that if Bank receives 50% or more of its total retail domestic deposits from areas outside of its facility-based AA(s), the Bank must delineate separate, non-overlapping “deposit-based” AAs where the deposit concentrations exceed 5.0% of Bank’s retail domestic deposits.

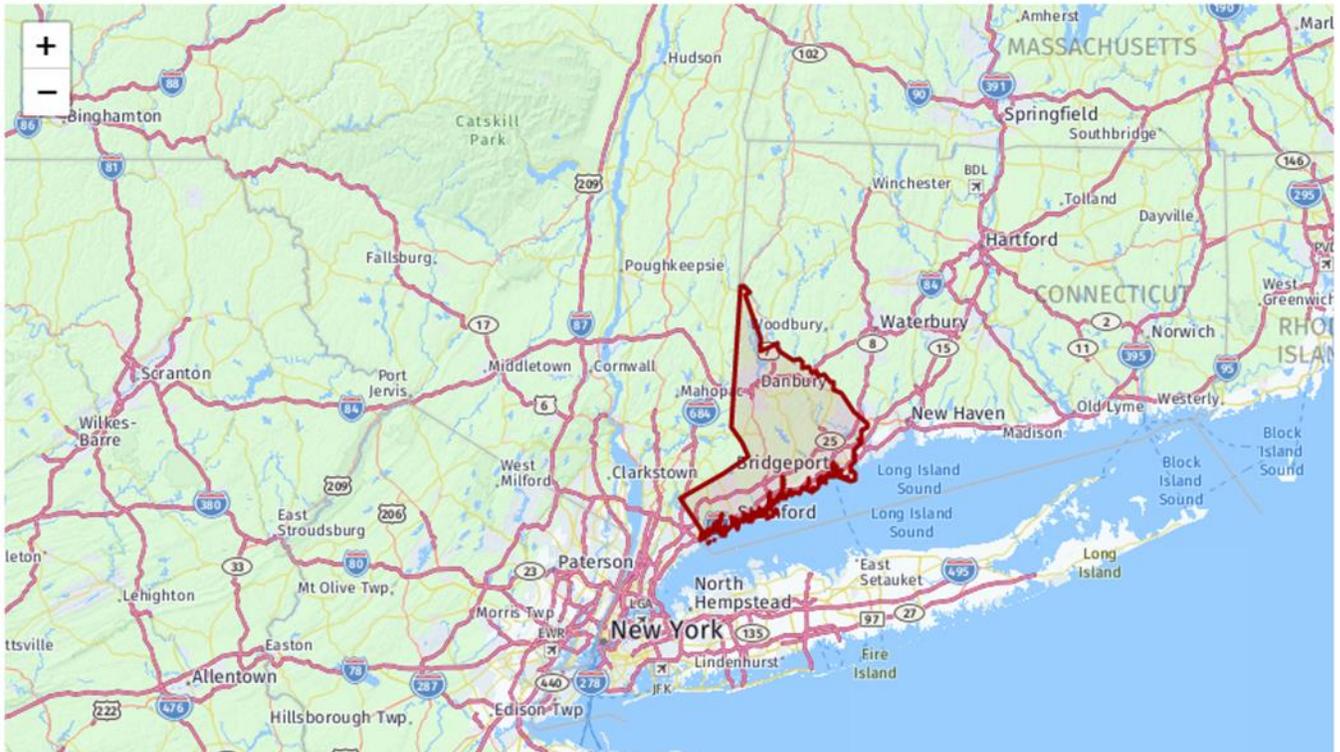
In accordance with the CRA Rule, Bank will initially delineate one facility-based AA encompassing the location where the Bank has its main office. Notably, Bank also intends to establish various loan production offices (“LPOs”) and deposit and loan call/operations centers; such facilities will not be accessible to the public, will not accept deposits, and will not comprise non-branch deposit-taking facilities that are not ATMs. The facilities will not be able to conduct cash transactions or provide loan disbursements and, therefore, will not comprise “branches” under applicable regulatory guidance. Accordingly, Bank does not presently anticipate designating any facility-based AAs beyond its Fairfield County AA.

As discussed in more detail below, this single AA will encompass the Bridgeport-Stamford-Norwalk MSA, which comprises all of Fairfield County, Connecticut (the “County”), as shown in Exhibit 1. Bank will monitor the location of its total retail domestic deposit growth and review concentrations annually. If 50% or more of Bank’s retail domestic deposits come from outside Fairfield County, as is likely over time, Bank will review its retail domestic deposit concentrations to determine whether any such concentration drawn from any given state exceeds 5% of the Bank’s total retail domestic deposits. Should this occur, Bank will take steps to delineate the required deposit-based AA(s).

While Bank will market its digital loan and deposit products and services on a nationwide basis, Bank will define its local “community” as Fairfield County, Connecticut. This local community will also serve as Bank’s single, initial facility-based AA for purposes meeting its CRA objectives in compliance with 12 C.F.R. 25.18 and 12 C.F.R. 25.41, which require Bank to (i) delineate one or more facility-based AAs within which the OCC will evaluate Bank’s record of helping to meet the credit needs of its community and (ii) taking into account Bank’s size and financial condition:

**Exhibit 1. American Challenger Bank, N.A.
Bridgeport-Stamford-Norwalk, CT MSA (Fairfield County)
Delineated Facility-Based Assessment Area**

Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area Boundary Map



- Includes the geographies in which Bank has its main office, its branches, and its deposit-taking ATMs, as well as the surrounding geographies in which 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 Bank chooses, such as those consumer loans on which Bank elects to have its performance assessed).
- Consists of whole geographies.
- Does not reflect illegal discrimination.
- Does not arbitrarily exclude low- or moderate-income (“LMI”) geographies.

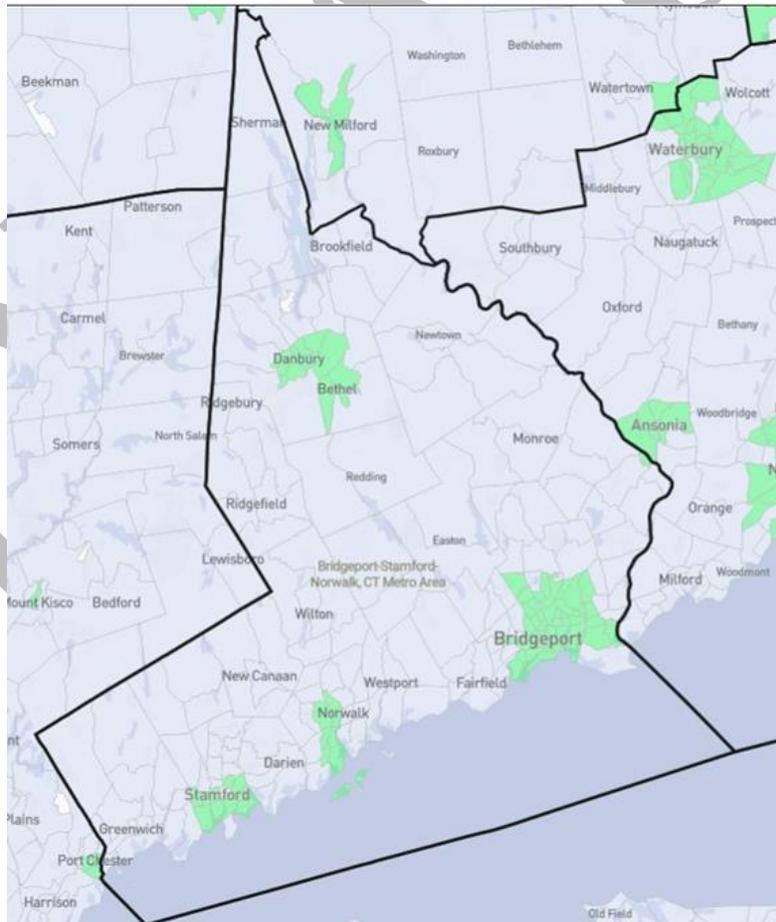
As described above, Bank will have its main office in the greater Stamford, Connecticut vicinity, which is located in Fairfield County. Bank will not have any branches or non-branch deposit-taking facility that is not an ATM that are accessible to the public. As a *de novo* institution, Bank has not yet originated or purchased any loans, but expects to originate digitally and/or purchase home mortgage loans secured by residential real estate situated in Fairfield County, including loans to LMI borrowers and borrowers that live in LMI geographies. Bank does not presently contemplate originating small business or small farm loans. Fairfield County is a “whole” geography in that it constitutes one of eight counties in the State of Connecticut; it also comprises

the entirety of the Bridgeport-Stamford-Norwalk MSA and is included in the multistate New York-Newark, NY-NJ-CT-PA Combined Statistical Area (“CSA”) as shown in [Appendix B](#).

As a whole geography, Bank’s Fairfield County AA includes all 70 census tracts within Fairfield County characterized as substantial (majority) minority; accordingly, the AA does not reflect any illegal discrimination. These 70 majority minority census tracts (“MMCTS”) include six Majority Black Census Tracts (“MBCTs”), 15 are Majority Hispanic Census Tracts (“MHCTs”) and, reflecting some overlap, 55 are Majority Black & Hispanic Census Tracts (“MBHCTs”). As discussed below, Bank has identified the deposit and credit needs of the community to be served and is willing and able to serve those needs.

Also, as a whole geography, as shown in Exhibit 2 (where the LMI census tracts, substantially all of which are situated in the major urban population centers, are highlighted in green) and the chart provided in [Appendix E](#), Bank’s Fairfield County AA includes all 71 census tracts within Fairfield County characterized as LMI; accordingly, the AA does not arbitrarily exclude any LMI geographies. As discussed below, Bank has identified the deposit and credit needs of the community to be served and is willing and able to serve those needs.

Exhibit 2. LMI Census Tracts in Whole Fairfield County, CT Geography



B. Assessment Area Description

Fairfield County, Connecticut is located in the southwestern corner of the State within commuting distance to New York City, and includes shoreline on Long Island Sound. See Exhibit 1. It has a population of nearly 950,000 people, making it the most populous of Connecticut's eight counties. Fairfield County contains four of the largest cities in Connecticut: Bridgeport (1st), Stamford (3rd), Norwalk (6th), and Danbury (7th), which collectively account for nearly half the county's total population. According to Fairfield County's Community Foundation, Fairfield County shares one regional economy, one public transportation system, and one housing market.

C. Economic Characteristics: Population, Income, Employment, Industry and Housing Patterns

Even though the median income Fairfield County, Connecticut is one of the highest in the nation, two towns in the County are among the neediest towns in the State. The Connecticut Office of Policy and Management ("OPM") prepares the Public Investment Community ("PIC") index not later than July 15 annually, pursuant to §7-545 of the Connecticut General Statutes ("CGS"). The PIC index measures the relative wealth and need of Connecticut's towns by ranking them in descending order by their cumulative point allocations for:

- Per capita income;
- Adjusted equalized net grand list per capita;⁴
- Equalized mill rate;⁵
- Per capita aid to children receiving Temporary Family Assistance ("TFA") program benefits;⁶

⁴ One measure of wealth used in some Connecticut education funding and other state aid formulas is the Adjusted Equalized Net Grand List per Capita ("AENGLC") pursuant to CFS Section 10-261(a)(5). Within the State Department of Education, AENGLC, more specifically AENGLC rank, is used in determining the state support percentages for reimbursement under adult education, school construction and health services. AENGLC is defined as a combination of property tax base per person and income per person. Property tax base is used because it is the form of wealth taxed by Connecticut's towns. Per Capita Income (PCI) is used because the income from which taxes are paid has an important effect on town taxing capacity. "ENGL" is the Equalized Net Grand List, which represents the value of taxable real and personal property (net grand list) at 100% of fair market value.

⁵ A mill is equal to \$1.00 of tax for each \$1,000 of assessment. To calculate the property tax, multiply the assessment of the property by the mill rate and divide by 1,000. For example, a property with an assessed value of \$50,000 located in a municipality with a mill rate of 20 mills would have a property tax bill of \$1,000 per year.

⁶ TFA is the name for the cash assistance program for basic and special needs which are paid to recipients of Connecticut's Jobs First Employment Services ("Jobs First") program that provides employment services employment services to time-limited TFA recipients of (TFA), which replaced the Aid to Families with Dependent Children ("AFDC") program. Previous welfare programs provided little incentive to find employment as most earnings (after some small disregards) were deducted from the cash benefit. Recipients were not allowed to have or accumulate any savings to plan for future emergencies. Jobs First was designed to reward work by providing incentives to self-support. The program is intended to be transitional assistance and to supply individuals with the tools they need to become self-supporting within 21 months.

- Unemployment rate.

Pursuant to CGS §7-545, the PIC index includes each town that has a cumulative point ranking in the top quartile of the PIC Index (i.e., the 42 towns with the highest number of points). Bridgeport ranked #4 of and Stratford ranked #33 out of 174 towns in Connecticut in terms of needing public investments.

1. Population and Income

The County’s educational attainment and median income rank among the highest in the nation. While Fairfield is one of the nation’s most affluent counties, it is also one of the most unequal. The difference between the mean income of the top quartile and bottom quartile is 23.6% compared to the other counties in Connecticut that range from 12.1 to 16.4%.

As of September 1, 2020, the population of Fairfield County was estimated at 942,400, up slightly from 939,983 as of 2019, as shown in Table 1. LMI residents account for 311,653 of or 33.2% of the total population and account for 21.2% of the owner-occupied housing stock and 57.3% of the multifamily units. More than 9% of households live below the poverty line.

Table 1. Demographic Information for the Bridgeport-Stamford-Norwalk, CT MSA (Fairfield County)

Data Type	Total #	Low		Moderate		Middle		Upper		NA	
		#	%	#	%	#	%	#	%	#	%
Geographies (Census Tracts)	211	31	14.69%	40	18.96%	57	27.01%	81	38.39%	2	0.95%
Population by Geography	939,983	118,259	12.58%	193,394	20.57%	280,979	29.89%	346,293	36.84%	1,058	0.11%
Owner-Occupied Housing by Geography	228,381	11,714	5.13%	36,769	16.10%	79,024	34.60%	100,874	44.17%	-	0.00%
Business by Geography	125,461	13,116	10.45%	22,009	17.54%	36,036	28.72%	54,298	43.28%	2	0.00%
Farms by Geography	3,210	359	11.18%	636	19.81%	990	30.84%	1,225	38.16%	-	0.00%
Family Distribution by Income Level	232,921	57,209	24.56%	36,371	15.62%	41,431	17.79%	97,910	42.04%	-	0.00%
Distribution of LMI Families throughout AA Geographies	93,580	21,144	22.59%	27,766	29.67%	26,142	27.94%	18,520	19.79%	8	0.01%
Household Distribution by Income Level	334,320	88,981	26.62%	48,903	14.63%	53,713	16.07%	142,723	42.69%	-	0.00%
Multifamily Units, 5 or More	64,495	15,463	23.98%	21,508	33.35%	20,579	31.91%	6,945	10.77%	-	0.00%
Vacant Units	29,236	6,212	21.25%	6,969	23.84%	8,270	28.29%	7,785	26.63%	-	0.00%
Median Family Income	\$105,628										
Adjusted Median Family Income for 2020	\$119,500										
Households Below Poverty Level	9.05%										

Source: FFIEC Home Mortgage Disclosure Act (HMDA) and RiskExec HMDA & CRA Data Analytics

Since July 2015, the population has declined by an average of 490, or 0.1% percent, annually, with net out-migration averaging 3,150 people each year. By comparison, from 2010 to 2015, the population grew by 5,350 people, or 0.6%, each year; the increase during this period was due to net in-migration, which averaged 1,475 people annually. There are an estimated 347,000 households in the county (334,220 as of 2019), reflecting an average growth of 1,100 households, or 0.3%, annually, since 2010.

Table 2 summarizes the census tract characteristics of Bank’s Assessment Area. As shown, the AA contains 334,320 families and 232,921 households that reside in 211 census tracts, of which

31 or 14.7% comprise low-income and 40 or 19.0% comprise moderate-income census tracts. Combined, low-and moderate-income (“LMI”) census tracts account for 71 or 33.7% of the total census tracts in the AA. Majority minority census tracts comprise 70 or 33.2% of the total census tracts. The estimated 2020 median family income (“MFI”) for the AA is \$119,500, which represents an increase of 13.13% relative to the 2015 estimated MFI of \$105,628.

Table 2: Assessment Area Summary: Bridgeport-Stamford-Norwalk MSA (Fairfield County, CT)

Tract Income Level	Tracts		Families										Households	
	#	%	Total #	Total %	Low #	Low %	Mod #	Mod %	Mid #	Mid %	Upp #	Upp %	#	%
LOW	31	14.69%	25,980	11.15%	16,708	29.21%	4,436	12.20%	2,766	6.68%	2,070	2.11%	39,764	11.89%
MOD	40	18.96%	43,817	18.81%	17,589	30.75%	10,177	27.98%	8,438	20.37%	7,613	7.78%	70,935	21.22%
MID	57	27.01%	71,494	30.69%	13,758	24.05%	12,384	34.05%	17,098	41.27%	28,254	28.86%	106,924	31.98%
UPP	81	38.39%	91,619	39.33%	9,149	15.99%	9,371	25.77%	13,126	31.68%	59,973	61.25%	116,686	34.90%
NA	2	0.95%	11	0.00%	5	0.01%	3	0.01%	3	0.01%	-	0.00%	11	0.00%
TOTAL	211	100.00%	232,921	100.00%	57,209	24.56%	36,371	15.62%	41,431	17.79%	97,910	42.04%	334,320	100.00%
Tract Minority Level	Tracts		Families										Households	
	#	%	Total #	Total %	Low #	Low %	Mod #	Mod %	Mid #	Mid %	Upp #	Upp %	#	%
< 10%	30	14.22%	35,022	15.04%	3,724	6.51%	3,918	10.77%	5,798	13.99%	21,582	22.04%	44,731	13.38%
10 - 19.99%	64	30.33%	78,485	33.70%	9,900	17.30%	9,885	27.18%	13,562	32.73%	45,138	46.10%	102,489	30.66%
20 - 49.99%	46	21.80%	51,146	21.96%	10,198	17.83%	8,852	24.34%	11,435	27.60%	20,661	21.10%	77,225	23.10%
50 - 79.99%	45	21.33%	46,979	20.17%	19,826	34.66%	9,895	27.21%	8,126	19.61%	9,132	9.33%	80,269	24.01%
80 - 100%	25	11.85%	21,289	9.14%	13,561	23.70%	3,821	10.51%	2,510	6.06%	1,397	1.43%	29,606	8.86%
NA	1	0.47%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
TOTAL	211	100.00%	232,921	100.00%	57,209	24.56%	36,371	15.62%	41,431	17.79%	97,910	42.04%	334,320	100.00%
MSA Median Family Income (MFI)														
2015 CENSUS MS A MFI: \$105,628														

Source: FFIEC Home Mortgage Disclosure Act (HMDA) and RiskExec HMDA & CRA Data Analytics

Currently, the largest population segment in Fairfield County is aged 35-64; however the population segment slated to have the largest growth rate from 2015 to 2034 is the 65 – 79-year-old segment. Fairfield County has a growing percentage of foreign-born residents. As of 2017, 22% of the Fairfield County population is foreign born, as compared to 14% for the State of Connecticut and 13% for the U.S. Similarly, Fairfield County has a growing percentage of minority residents and a higher proportion of minority residents than the state and the nation as a whole. A breakdown of the population by income and age is provided in Table 3.

Table 3. Population by Income and Age: Bridgeport-Stamford-Norwalk MSA (Fairfield County, CT)

Tract Description	Population		Age Below 18		Age 18 to 61		Age 62 & Over	
	#	%	#	%	#	%	#	%
Low-Income (LOW)	118,259	12.58%	30,932	26.16%	75,113	63.52%	12,214	10.33%
Moderate-Income (MOD)	193,394	20.57%	40,751	21.07%	124,311	64.28%	28,332	14.65%
Middle Income (MID)	280,979	29.89%	58,204	20.71%	166,004	59.08%	56,771	20.20%
Upper Income (UPP)	346,293	36.84%	94,222	27.21%	186,768	53.93%	65,303	18.86%
NA	1,058	0.11%	17	1.61%	1,015	95.94%	26	2.46%
TOTAL	939,983	100.00%	224,126	23.84%	553,211	58.85%	162,646	17.30%

Source: FFIEC Home Mortgage Disclosure Act (HMDA) and RiskExec HMDA & CRA Data Analytics

2. Employment

Economic conditions in Fairfield County have worsened during the past year due to countermeasures implemented to slow the spread of COVID-19. During the three months ending July 2020, resident employment averaged 417,000, reflecting a decline of 51,475 jobs, or 11.0% from a year earlier. By comparison, during the three months ending July 2019, resident employment increased by 3,200 jobs, or 0.7%. During the three months ending July 2020, the unemployment rate averaged 10.1% percent, up from 3.7% a year earlier. Fairfield County has also seen little job growth since the Great Recession⁷ and over the past several months has experienced the negative effects of the coronavirus. After bottoming out at 3.3% in November 2018, the unemployment rate for Fairfield County rose to a near-term peak of 10.7% in July 2020 as shown in Table 4 and the accompanying graph in response to the number of people employed, and more than doubling of the number of people unemployed.⁸

⁷ The Great Recession began in December 2007 and ended in June 2009, which makes it the longest recession since World War II. Beyond its duration, the Great Recession was notably severe in several respects. Real gross domestic product (GDP) fell 4.3% from its peak in 2007 Q4 to its trough in 2009 Q2, to date the largest decline in the postwar era. The unemployment rate, which was 5.0% in December 2007, rose to 9.5% in June 2009, and peaked at 10.0% in October 2009. The financial effects of the Great Recession were similarly outsized: home prices fell approximately 30% on average, from their mid-2006 peak to mid-2009, while the S&P 500 index fell 57% from its October 2007 peak to its trough in March 2009. The net worth of U.S. households and nonprofit organizations fell from a peak of approximately \$69 trillion in 2007 to a trough of \$55 trillion in 2009.

See https://www.federalreservehistory.org/essays/great_recession_of_200709.

⁸ Fairfield County CHAS Market at a Glance, October 31, 2020.

Table 4. Fairfield County Employment Data⁹

Year	Month	Labor Force (#)	Employment (#)	Unemployment (#)	Unemployment Rate (%)
2018	Jul	476,848	456,768	20,080	4.2
2018	Aug	469,662	450,761	18,901	4.0
2018	Sep	463,701	446,220	17,481	3.8
2018	Oct	464,833	447,861	16,972	3.7
2018	Nov	467,119	451,707	15,412	3.3
2018	Dec	463,622	447,946	15,676	3.4
2019	Jan	462,858	441,679	21,179	4.6
2019	Feb	459,821	439,981	19,840	4.3
2019	Mar	461,058	442,733	18,325	4.0
2019	Apr	458,849	443,915	14,934	3.3
2019	May	465,503	448,624	16,879	3.6
2019	Jun	473,156	454,658	18,498	3.9
2019	Jul	477,495	459,013	18,482	3.9
2019	Aug	471,036	453,178	17,858	3.8
2019	Sep	465,419	449,057	16,362	3.5
2019	Oct	467,659	451,167	16,492	3.5
2019	Nov	469,897	454,326	15,571	3.3
2019	Dec	468,000	452,986	15,014	3.2
2020	Jan	467,968	447,142	20,826	4.5
2020	Feb	463,720	442,924	20,796	4.5
2020	Mar	465,650	448,728	16,922	3.6
2020	Apr	419,957	386,256	33,701	8.0
2020	May	425,007	383,881	41,126	9.7
2020	Jun	456,240	407,902	48,338	10.6
2020	Jul	466,592	416,586	50,006	10.7
2020	Aug	450,119	411,921	38,198	8.5
2020	Sep (P)	451,595	415,856	35,739	7.9

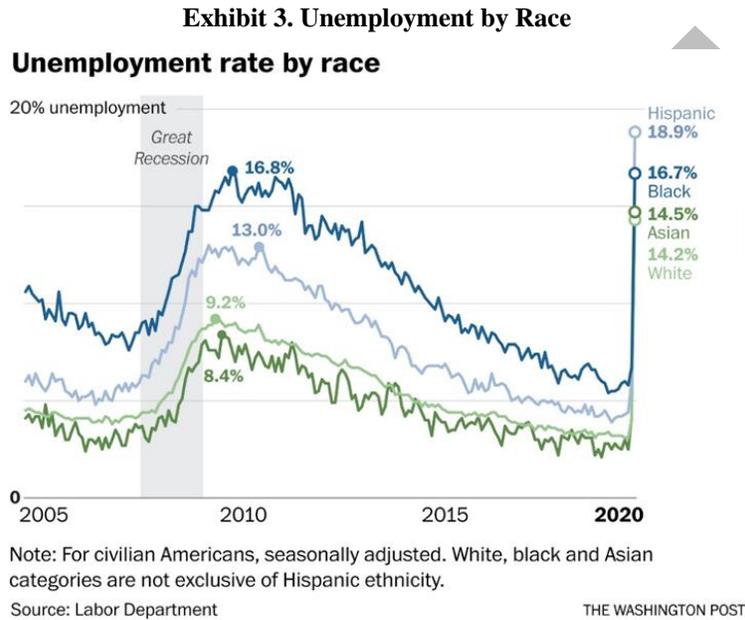
P: Preliminary.



9

https://data.bls.gov/timeseries/LAUMT097195000000006?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

On a national basis, Exhibit 3 shows unemployment by race. In an October 6, 2020 address to the National Association of Business Economics, Jerome Powell, Chair of the Federal Reserve stated, “The burdens of the downturn have not been evenly shared. The initial job losses fell most heavily on lower-wage workers in service industries facing the public—job categories in which minorities and women are overrepresented.”¹⁰



On September, 2020, DataHaven released a survey of 1,108 Connecticut residents taken between July and August 2020. They reported, "Since February 2020, 20% of all adults (including 28% of white, 22% of Black and 37% of Latino adults) report that at least one adult in their households have lost their jobs or been laid off and 29% of all adults have had their work hours reduced or been placed on a temporary furlough. Table 5 below shows that the largest percentage declines in employment since April in Fairfield County have been in the leisure and hospitality services and other services sectors. The disparities by race evident in the national numbers are also impacting Fairfield County.

¹⁰ <https://www.federalreserve.gov/newsevents/speech/powell20201006a.htm>.

**Table 5. Bridgeport-Stamford-Norwalk, CT New England City and Town Areas (NECTA)
Labor Force and Nonfarm Wage and Salary Employment Data**

Data Series	Apr	May	June	July	Aug	Sept
	2020	2020	2020	2020	2020	2020 (P)
Labor Force Data						
Civilian Labor Force (1)	420.0	425.0	456.2	466.6	450.1	451.6
Employment (1)	386.3	383.9	407.9	416.6	411.9	415.9
Unemployment (1)	33.7	41.1	48.3	50.0	38.2	35.7
Unemployment Rate (2)	8.0	9.7	10.6	10.7	8.5	7.9
Nonfarm Wage and Salary Employment						
Total Nonfarm (3)	326.4	333.4	351.9	360.9	360.7	365.7
12-month % change	-19.3	-18.4	-14.9	-11.9	-10.8	-9.9
Mining, Logging, and Construction (3)	10.6	11.5	12.1	12.4	12.3	11.9
12-month % change	-17.8	-13.5	-11.0	-10.1	-10.2	-11.9
Manufacturing (3)	27.8	28.2	28.7	28.7	28.5	28.9
12-month % change	-3.5	-2.4	-1.7	-1.7	-1.4	1.0
Trade, Transportation, and Utilities (3)	51.4	52.7	58.3	59.9	60.5	61.3
12-month % change	-22.8	-21.3	-13.5	-9.8	-8.3	-7.4
Information (3)	12.1	11.3	11.4	11.4	11.4	11.5
12-month % change	-6.2	-12.4	-13.0	-13.0	-12.3	-10.9
Financial Activities (3)	35.5	34.4	34.8	35.4	35.5	35.2
12-month % change	-4.6	-8.0	-7.7	-7.1	-6.6	-5.6
Professional and Business Services (3)	55.9	56.5	58.7	58.7	58.8	59.6
12-month % change	-15.9	-15.3	-13.2	-13.3	-12.6	-10.2
Education and Health Services (3)	63.3	64.6	64.8	65.5	65.9	67.7
12-month % change	-15.7	-14.2	-13.4	-11.1	-9.1	-9.1
Leisure and Hospitality (3)	19.9	24.4	31.9	38.2	37.6	37.4
12-month % change	-53.3	-44.8	-32.4	-19.4	-18.1	-15.0
Other Services (3)	8.8	9.5	11.0	12.5	12.6	12.3
12-month % change	-50.3	-46.9	-39.9	-32.4	-30.4	-29.7
Government (3)	41.1	40.3	40.2	38.2	37.6	39.9
12-month % change	-6.8	-10.0	-9.5	-8.8	-8.5	-10.9
Footnotes						
(1) Number of persons, in thousands, not seasonally adjusted.						
(2) In percent, not seasonally adjusted.						
(3) Number of jobs, in thousands, not seasonally adjusted.						
(P) Preliminary.						

U.S. Bureau of Labor Statistics

https://www.bls.gov/eag/eag.ct_bridgeport_mn.htm

3. Industry

As in New York City, the finance sector plays an outsized role in the regional economy, though this sector has not grown in recent years. Historically, the education-and-health and leisure-and-hospitality sectors have been the strongest contributors to growth in the area as shown in Tables 5

and 6 below. There are 18 employers in the Fortune 1000 in the region, including Pitney Bowes, Synchrony Financial, Gartner, Boehringer Ingelheim, and Charter Communications.

**Table 6. Fairfield County, Connecticut Covered Employment & Wages by Industry
(2019 Quarterly Census of Employment and Wages (QCEW) Program Data)**

NAICS Code	Industry	Units	Annual Average Employment	Total Annual Wages	Annual Average Wage	Average Weekly Wage
	Fairfield County Totals:	37,037	417,815	\$37,237,216,275	\$89,124	\$1,714
	Private Ownership	36,482	373,227	\$34,139,169,711	91,470	1,759
11	Agriculture, forestry, fishing and hunting	50	424	18,463,402	43,589	838
21	Mining	9	42	2,951,253	69,578	1,338
22	Utilities	43	1,074	157,676,349	146,881	2,825
23	Construction	2,583	13,436	954,182,280	71,015	1,366
31-33	Manufacturing	889	30,601	2,972,687,612	97,144	1,868
42	Wholesale trade	2,712	13,677	1,627,949,975	119,031	2,289
44-45	Retail trade	3,424	47,682	2,061,697,125	43,238	832
48-49	Transportation and warehousing	525	8,436	531,871,577	63,047	1,212
51	Information	1,039	13,386	1,992,801,869	148,876	2,863
52	Finance and insurance	2,928	31,061	8,620,718,729	277,539	5,337
53	Real estate and rental and leasing	1,248	5,564	571,425,709	102,699	1,975
54	Professional and technical services	4,965	29,976	4,104,218,745	136,916	2,633
55	Management of companies and enterprise	608	12,456	2,555,313,793	205,147	3,945
56	Administrative and waste management	2,513	25,055	1,381,092,118	55,122	1,060
61	Educational services	687	11,528	646,576,651	56,087	1,079
62	Health care and social assistance	3,124	65,478	3,909,600,014	59,709	1,148
71	Arts, entertainment, and recreation	684	10,575	392,299,644	37,096	713
72	Accommodation and food services	2,494	33,573	889,431,235	26,493	509
81	Other services, except public administratio	5,750	19,086	736,697,307	38,599	742
99	Nonclassifiable establishments	207	117	11,514,326	98,203	1,889
	Government Sector	555	44,588	\$3,098,046,564	\$69,482	\$1,336

https://www1.ctdol.state.ct.us/lmi/202/202_annualaverage.asp

4. Housing

Home prices in this region of the country are growing slowly. The House Price Index (“HPI”), which is calculated and published by the Federal Housing Finance Agency (“FHFA”), for each of Connecticut and Fairfield County, increased 1.8% and 1.2%, respectively, in 2018. This compares with the increase in the national HPI of 5.9% in 2018. However, the median property value in Fairfield County is significantly above the state and national averages. Fairfield County’s median property value in 2018 was \$435,000. This compares with the Connecticut and U.S. 2018 median property values of \$277,400 and \$229,700, respectively.

This impacts home affordability. Even though 2018 per capita income in Fairfield County was \$91,000, 31% of households paid so much for housing that they struggled to afford other basic necessities, like childcare, medication, food, education, and transportation. While Fairfield is one of the nation’s most affluent counties, it is also one of the most unequal. The range runs from \$220,000 per household in Weston to \$45,000 per household in Bridgeport. Additionally, on average in Fairfield County 68% of households live in owner-occupied housing. However, this figure ranges from 42% in Bridgeport to over 80% in the towns of Stratford and Fairfield.

As reported by the National Low Income Housing Coalition (see Exhibit 4), across Connecticut there is a shortage of rental homes affordable and available to extremely low income households (“ELI”), whose incomes are at or below the poverty guideline or 30% of their area median income (“AMI”). Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.¹¹

Exhibit 4. Key Rental Housing Facts



In this regard, one particularly helpful report is the *Out of Reach 2020: Connecticut* (“OOR Report”) prepared by the National Low Income Housing Coalition and referenced in the Federal Home Loan Bank of Boston’s (“FHLB-Boston”) *2020 Targeted Community Lending Plan*. As shown in Exhibits 5 and 6, these reports focus in particular on the lack of available affordable rental housing, a need that transcends what can be accomplished through residential home lending targeted to LMI borrowers. As noted by the FHLB-Boston in its report, Connecticut has the highest percentage of cost-burdened renters in New England, with 67% of ELI persons living with severe cost-burdens, and 28% of the state’s very low income population living with the same severe cost-burden (see OOR Report). Moreover, about 27% of all homeowners are cost-burdened.¹²

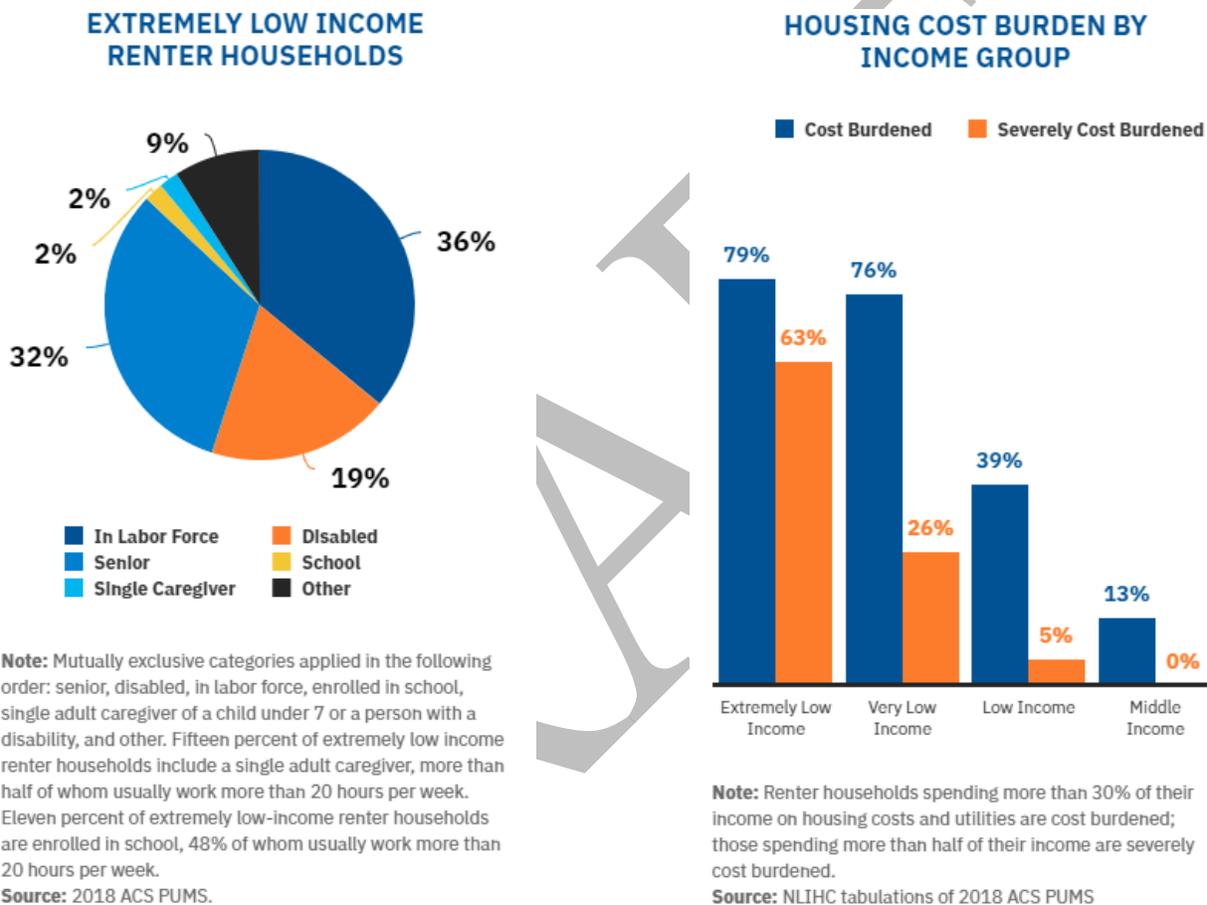
In contrast, the housing stock increased by only 2% over the past eight years. The ratio of owner-to-renter occupied housing stock has remained around two-to-one since 2015 (U.S. Census). Additionally, white-alone households made up the largest percentage of both homeowners and

¹¹ <https://nlihc.org/housing-needs-by-state/connecticut>.

¹² HJCHS tabulation of United States Census Bureau, 2017 American Community Survey 1-Year Estimates.

renters in the state, though Black homeownership has increased slightly since 2009.¹³ There is a shortage of 84,050 units for those at or below 50% AMI (average median income). Proportionally, there are only 38 affordable and available homes per 100 ELI renter households, and only 62 for those whose income is 50% of average median income. There are, however, 102 units for those at 80% of AMI and 107 for those at or below 100% AMI¹⁴ (Exhibit 5 below is as of 2018 versus 2020).

Exhibit 5: ELI Renter Households and Housing Cost Burden



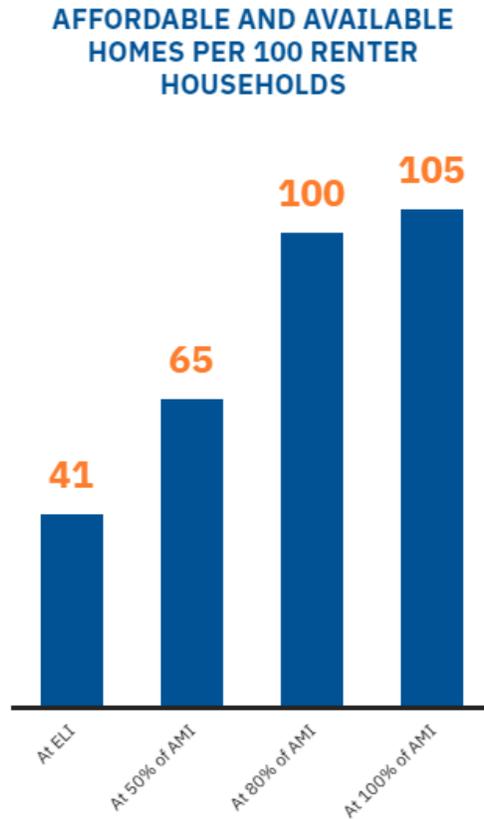
In summary, the critical link between the housing-related credit needs of Bank’s Assessment Area and Bank’s CRA Strategic Plan is this urgent focus on affordable rental housing. Bank’s primary business model does not emphasize multifamily lending. Even so, and despite Bank’s significant emphasis on single-family lending nationwide, Bank believes that it can have a greater and more beneficial CRA impact by focusing on community development loan and investment activities that address the critical need for affordable multifamily housing for LMI and ELI households in Fairfield County. Bank will do this by supporting and leveraging the existing activities of local

¹³ United States Census Bureau. Tenure (Black or African American Alone Householder). 2005-2017 American Community Survey 5-Year Estimates.

¹⁴ National Low-Income Housing Coalition, *Housing Needs by State 2019*.

CDFIs, CDCUs and other governmental and non-government for-profit and not-for-profit organizations whose goals embrace the affordable rental housing needs in Fairfield County.

Exhibit 6: Affordable and Available Renter Homes



Source: NLIHC tabulations of 2018 ACS PUMS

The U.S. Department of Housing and Urban Development (“HUD”) reports in its most recently available five-year survey (i.e., as of 2018) that nearly one-third of all housing units in Fairfield County are “with conditions.” Conditions are defined as having at least one of the following issues:

- Lacking complete plumbing facilities;
- Lacking complete kitchen facilities;
- More than 1.01 persons per room;
- Selected monthly owner costs greater than 30% of household income, or gross rent as a percentage of household of greater than 30%.

As shown in Table 7, for the more than 41,100 low-income families that reside in Fairfield County, approximately 80% of their housing units are with conditions. For the 52,600 moderate-income

families, nearly half of their housing units are with conditions. There is a very clear need for adequate and affordable housing in Fairfield County for LMI households and families.

**Table: 7. Economic and Market Analysis Division - HUD
Special Tabulations of 2018 ACS Five-Year Survey Data
Households by Income, Tenure, Age of Householder, and Housing Conditions
Geography: Bridgeport-Stamford-Norwalk, CT Metro Area
Owners, Householder Age: All Ages**

TOTAL

Income Intervals		1-person	2-persons	3-persons	4+ persons
TOTAL	229,170	45,815	78,905	40,495	63,955
Less than \$9,999	4,555	2,935	955	340	330
\$10,000 - \$14,999	3,055	2,015	750	140	150
\$15,000 - \$19,999	3,650	2,595	710	155	190
\$20,000 - \$24,999	4,700	3,085	1,060	350	210
\$25,000 - \$29,999	4,455	2,695	1,195	375	195
\$30,000 - \$34,999	4,690	2,100	1,650	495	445
\$35,000 - \$39,999	5,395	2,130	2,105	580	580
\$40,000 - \$44,999	5,135	2,000	1,845	435	855
\$45,000 - \$49,999	5,520	1,840	2,030	780	865
\$50,000 - \$59,999	11,080	3,780	4,280	1,315	1,705
\$60,000 - \$74,999	16,030	4,265	6,240	2,845	2,680
\$75,000 - \$99,999	25,490	5,605	9,100	4,625	6,155
\$100,000 - \$124,999	24,060	3,710	8,950	5,045	6,355
\$125,000 - \$149,999	19,790	1,845	7,445	4,260	6,240
\$150,000 - \$199,999	28,215	2,175	9,725	6,115	10,200
\$200,000 or more	63,345	3,045	20,865	12,635	26,800

WITH CONDITIONS

Income Intervals		1-person	2-persons	3-persons	4+ persons
TOTAL	74,105	23,465	22,410	10,815	17,415
Less than \$9,999	3,385	2,190	675	275	245
\$10,000 - \$14,999	3,015	1,980	745	140	150
\$15,000 - \$19,999	3,465	2,430	690	155	190
\$20,000 - \$24,999	4,460	2,875	1,025	350	210
\$25,000 - \$29,999	3,775	2,205	1,065	340	165
\$30,000 - \$34,999	3,735	1,560	1,270	480	425
\$35,000 - \$39,999	3,965	1,385	1,585	470	530
\$40,000 - \$44,999	3,630	1,215	1,365	340	710
\$45,000 - \$49,999	3,480	1,005	1,110	635	735
\$50,000 - \$59,999	6,425	1,850	2,140	1,015	1,420
\$60,000 - \$74,999	8,400	1,825	2,875	1,695	2,005
\$75,000 - \$99,999	10,580	1,750	3,090	2,125	3,605
\$100,000 - \$124,999	5,990	775	1,945	995	2,275
\$125,000 - \$149,999	3,340	130	1,130	675	1,405
\$150,000 - \$199,999	3,165	195	945	580	1,445
\$200,000 or more	3,300	105	750	545	1,895

SECTION 4: COMMUNITY NEEDS ASSESSMENT

An overriding theme in the State of Connecticut is the need for affordable housing. Toward that end, the State of Connecticut established a goal that affordable housing should represent 10% of the total housing inventory in each municipality throughout the State. In 1990 the State of Connecticut enacted C.G.S. §8-30g, which provides a special appeals process to a developer if a housing development containing a specified minimum amount of affordable housing units is denied by a local land use board. This appeals process is only applicable to those communities that do not meet the 10% affordable housing goal. While some cities and larger communities have met the 10% goal, most smaller communities have not. C.G.S. §8-30g allows a moratorium to the appeals process if a community can demonstrate significant progress in meeting the State's goal. Bridgeport is one of only four municipalities in Fairfield County that have met the State's 10% affordable housing goal. The other three are Danbury, Norwalk and Stamford.¹⁵

Bank has reviewed and analyzed a substantial body of informative analyses and reports published by federal, state and municipal governmental entities and community development organizations to help assess credit needs within Fairfield County. Members of Bank's senior management team are also participating in Bank's convenience and needs assessment outreach process, which includes ongoing meetings with various nonprofit and for-profit entities to learn about their views on credit needs within Fairfield County, as well as related challenges and opportunities.

Fairfield County is part of the New York City Combined Statistical Area (the "CSA"), which includes parts of the states of Connecticut, New York, New Jersey and Pennsylvania. The CSA approved its first regional plan in 1922, stating that the plan "was about realizing that New York City was part of a larger regional economy and natural ecosystem." The region has continued to focus on regional planning and adopted its fourth plan in 2017. The themes that were identified were: (i) fix the institutions that are failing; (ii) transportation; (iii) climate change; and (iv) affordability. These same themes resonate through other regional plans that we reviewed. These include Western Connecticut, City of Stamford, City of Fairfield, Bridgeport Neighborhood Revitalization, City of Greenwich, and the Stamford Master Plan. Predominate concerns for the region include housing affordability and community infrastructure.

As noted above, the regional plan for the CSA identified affordability as a priority stating, "The region needs quality housing for all income levels in places that have good transit service. It must also invest in smaller cities and downtowns to boost economic opportunities throughout the region."

¹⁵ <https://portal.ct.gov/-/media/DOH/2019-Appeals-List-for-online.pdf> 2019 Affordable Housing Appeals List - Exempt Municipalities.

A. Review of Regional and Local Community Development Plans

In the Federal Register Notice of the OCC’s final rule on CRA Modernization (12 C.F.R. Parts 25 and 195), under the discussion of Performance Context (p. 160), the OCC noted: “Finally, banks may look to reliable sources that articulate local needs and opportunities based on interactions with the community and other types of research. Two examples of such reliable sources include the Federal Home Loan Banks’ Targeted Community Lending Plans (FHLB TCLPs) and local or state Consolidated Plans submitted to HUD for community planning and development programs.”¹⁶ Following is a summary of the needs identified in these planning documents.

FHLB Boston 2020 Targeted Lending Plan¹⁷

The FHLB Boston reports that overall, New England states have some of the largest shares of cost-burdened homeowners in the US. As of 2017, Rhode Island had the 4th highest share of cost-burdened homeowners, followed by Connecticut with the 6th highest share and Massachusetts with the 9th highest share.¹⁸

In Connecticut, 60% of extremely low-income persons live with severe cost-burdens, and 28% of the state’s very low-income population lives with the same severe cost-burden. Moreover, about 27% of all homeowners are cost-burdened.

There is a shortage of 84,050 units for those at or below 50% average median income. Proportionally, there are only 38 affordable and available homes per 100 ELI renter households, and only 62 for those whose income is 50% of AMI. There are, however, 102 units for those at 80% of AMI and 107 for those at or below 100% of AMI.

Connecticut Consolidated Plan 2015-2019 (most recently available)¹⁹

In Connecticut, there is a cross-cutting need for housing in all tenure types (ownership and rental), bedroom sizes (efficiency to 3+ bedrooms), and income ranges (extremely low-, low-, moderate- and workforce-income). These needs vary not only by county, region and municipality, but by neighborhood and borough. These needs are not limited by race, ethnicity, disability, gender, or any other characteristic among the protected classes; these needs cross all boundaries, both geographically and demographically. However, there is a disproportionate need for affordable housing among people of color, people with disabilities, single-parent households, and people with a source of income other than employment.

¹⁶ <https://www.occ.treas.gov/news-issuances/federal-register/2020/nr-occ-2020-63a.pdf>, p. 161.

¹⁷ http://www.fhlbboston.com/downloads/communitydevelopment/community_lending_plan.pdf.

¹⁸ Harvard Joint Center for Housing Studies (“HJCHS”).

¹⁹ <https://business.ct.gov/-/media/DOH/ConPlanWithAPForPubpdf.pdf>.

Connecticut Consolidate Plan Top Priorities

- **Quality Affordable Housing:** Over the five-year period covered by the plan, the state will focus its available resources to achieve the following:
 - Create 5,000 new quality affordable rental housing units;
 - Create 500 new affordable homeownership opportunities;
 - Preserve 5,000 existing affordable rental housing unit; and
 - Maintain homeownership for 300 households.

- **Public Housing:**
 - **Preservation** - The state will identify opportunities for the potential loss of public housing units due to expiring contracts or owner choice to preserve existing public housing, and work with those owners and prospective developers/investors to leverage a variety of resources targeted at the preservation of these units.
 - **Replacement** - The state will identify opportunities for the potential replacement of public housing units due to obsolescence or other environmental concerns, and work with the owners and prospective developers/investors to leverage a variety of resources targeted at the replacement of these units.

In addition to the strategic plans they submitted to HUD, several of the larger Fairfield County municipalities also prepared community development plans,²⁰ including Bridgeport (2020-2024), Danbury (2018-2022), Fairfield (2015-2019), Greenwich (2015-2019) Stamford (2015-2019), and Stratford (2015-2019). These plans, which also identified affordable housing as a key issue that needs to be addressed.

Bridgeport Community Development Plan

There is an ongoing need in Bridgeport for all forms of assistance (public facilities, affordable housing, lead prevention/remediation, homelessness prevention, etc.). As the largest city in the state, situated in the wealthiest county, Bridgeport is the urban center of the region. Bridgeport provides many regional services to those who are not always able to care for themselves. Bridgeport's unemployment rate is higher than that of the State of Connecticut. Bridgeport continues to be a city of poor and disadvantaged people.

Cost burden is clearly the biggest housing problem in Bridgeport in terms of sheer numbers – a common trend in many communities across the state and nation today. According to the 2012-

²⁰<https://www.hudexchange.info/programs/consolidated-plan/con-plans-aaps-capers/>

2016 CHAS data there were 16,595 renters and 7,600 homeowners in the 0% to 100% AMI range spending more than 30% of their income on housing costs (100% AMI is the area median income).

Bridgeport's Top Two Priorities:

- **Expand/Improve Public Infrastructure & Facilities:** Adequate public facilities and infrastructure improvements are essential to addressing the needs of the LMI population, including the homeless, elderly and disabled. Facilities and improvements include neighborhood/community centers, improved road infrastructure and the installation of ADA curb cuts and sidewalks for safety in LMI areas.
- **Preserve and Develop Affordable Housing:** Preserving housing and developing affordable housing, including Homeowner Rehabilitation, Rental Rehabilitation, and Increased Homeownership Opportunities remains one of the highest priorities in the jurisdiction.

Danbury Community Development Plan

In terms of priorities and objectives, Danbury's Strategic Plan continues to focus on segments of the population most in need as well as neighborhood supported infrastructure investments. These include the needs of the homeless, lower income renters, people with special needs and senior citizens.

Danbury's Top Two Priorities:

- Provide affordable rental housing opportunities; and
- Provide affordable homeownership opportunities.

Fairfield Community Development Plan

By most measures, the Town of Fairfield, located in one of the most affluent parts of the country and frequently cited as one of the best places to live by state and national publications, would seem to have few housing or social service needs. Although this may be true to some extent, a closer examination reveals tremendous wealth inequalities, pockets of extreme poverty and persons living in the community for whom life is a daily struggle.

The Town has a history of developing a variety of effective social service and community development programs, creating affordable housing opportunities for its residents and being proactive in addressing the region's homelessness issue. Despite these efforts, rapidly rising home prices have generally decreased the supply of affordable housing and increased the cost burden on households who can least afford it.

The high cost of housing and living in general places considerable stress on lower- and middle-income working families. Household incomes have not kept pace with rising home prices, and

homeownership is effectively out of reach for many young people and families. The elderly, many of whom live on fixed incomes and are “housing rich, but cash poor” also face challenges to remain in the community in which they grew up.

Fairfield’s Top Two Priorities

- Increase the supply and availability of affordable elderly rental housing by supporting the acquisition, rehabilitation and/or new construction of elderly rental units; Housing cost burden is the most prevalent housing problem. There is an ongoing need for more affordable housing.
- Increase the supply and availability of affordable rental housing, particularly for extremely low and very low-income residents, through the acquisition and/or rehabilitation of existing multi-family units; housing costs are high, and homeownership is frequently out-of-reach for many working families of more modest means.

Greenwich Community Development Plan

In Greenwich, issues relating to affordable housing include:

- Property valuation is relatively high compared to the income limits of the target population;
- Affordability is the main barrier to decent and quality housing accessible to the target population;
- Cost burden (and severe cost burden) is a major problem faced by the target population. In an area where the housing market is high, the total housing costs exceeds the standard 30% of the household income for many L/M households;
- Substandard housing is also an identified problem since this type of housing would be “affordable” to the LMI households even though the unit is inadequate; and
- Overcrowding is also an identified issue, but is not as severe as the other housing problems listed above.

Greenwich’s Top Two Priorities

- Rehabilitation of existing units: the high cost of housing in Greenwich has always been a major factor that causes housing problems and a great need in all categories of residents. Thus, the growing number of households in need of affordable rental housing continues to increase. Therefore, a top priority is the rehabilitation and upgrade of rental housing occupied by the target population. In addition, target income families as well as seniors who are often on fixed incomes are also a high priority (both rental and ownership housing). Given the high cost of housing in Greenwich, CDBG funds (entitlement and program income) will be utilized to support the rehabilitation of existing units and acquisition of

existing units to the extent possible. These projects will ensure that decent and affordable housing units are accessible to the target population or group.

- Mental health services: programs and services in this category address the need for local access to mental health services through a full-service program offered to low-income, underinsured and uninsured individuals and families.

Stamford Community Development Plan

Analyses of relevant population data and related housing needs indicates that Stamford has a core of census tracts that can attract reinvestment of private funds if they continue to be perceived as having a strong sense of neighborhood and links to a vital downtown. The neighborhoods must have community facilities that serve the residents, and there must be resources to meet needs of those aging in place as well as the young who are attracted to new rental opportunities and a quick commute to jobs up and down the I-95 corridor. Given development pressures and continued high property values in Stamford, those with limited incomes need opportunities to live in quality housing without paying over 35% of their income for housing.

Stamford's Top Two Priorities

- Housing, very low income: create/restore units that benefit eligible population most negatively affected by high housing related costs; and
- Housing, moderate income: assist homebuyers to settle into target areas.

Stratford Community Development Plan

The most common housing problem in Stratford is housing cost burdens. As identified, 2,670 households in Stratford have a housing cost burden whereby owners/renters pay more than 30% of their income in housing costs. Additionally, 3,495 households have a housing cost burden greater than 50%. In other words, households that have a housing cost burden comprise 30.95% (6,165 out of 19,922 households) of all households in the Town of Stratford.

The town's highest priority needs are: increasing affordable housing by reducing housing cost burdens; providing services for low/mod income persons and limited clientele, including the elderly, frail elderly, persons with disabilities, public housing residents, and victims of domestic violence (especially the chronically homeless); and maintaining and improving public infrastructure and facilities.

Stratford's Top Priorities:

- Unit preservation: preservation of existing housing stock through moderate rehabilitation of owner-occupied, income eligible, single-family properties; and
- Rental Assistance: affordable housing and homeless prevention.

B. Current Data

While some of the municipal community development plans are more dated, the conclusions remain the same. Demographic trends including population growth, new household formations, and net migration all indicate a fairly stable number of households going back at least five years.²¹ New construction of housing units represents less than 1% of the housing stock over the last several years, indicating that there has been little change in the demand for housing and the supply of housing over the last several years.

The municipal community development plans summarized above identify two major issues with the quality of the local housing stock. The predominate issue is affordability. Housing in Fairfield County is expensive. The median value of housing in Fairfield County, Connecticut is \$444,500. The National Coalition of Low Income Housing in its most recent analysis based on the 2018 ACS public use microdata sample (“PUMS”) data²² reported a shortage of 86,836 affordable rental units for very low-income households (those earning less than 30% of the AMI).²³

The FHLB Boston Targeted Lending Plan, the State of Connecticut Consolidated Plans for Community Planning and Development, and the local plans available for municipalities in Fairfield County all tell a similar story. Current Comprehensive Housing Affordability Strategy (“CHAS”) data continue to identify affordability as the key challenge facing 38% of all owners and renters in Fairfield County.²⁴ The burden is disproportionately felt by lower-income groups. More than 79% of low-income households (those that earn less than 50% of the AMI) pay more than 30% of their income for housing. This drops to 50% for moderate-income families and to 13% for households earning more than the AMI. All of the plans reviewed above cite this data in their housing needs assessments.

While the municipal community development plans identify similar needs, they present different priorities for addressing these needs; some focusing on the elderly, some on new construction and some on rehabilitation. The second issue is the age of the housing stock. The median age of the housing structures in Fairfield County is over 50 years. Only 10% of the housing structures in Fairfield County were built after the year 2000, relative to 13% nationally.²⁵ However, as an offset, less than 1% of all households have housing that is overcrowded or lacks plumbing or kitchen

²¹ https://www.huduser.gov/portal/MCCharts/countyCharts_hc_new.html?countyID=09001&countyName=Fairfield%20County%2C%20CT&dt=November%201,%202020.

²² The U.S. Census Bureau’s American Community Survey (ACS) Public Use Microdata Sample (PUMS) files are a set of records from individual people or housing units, with disclosure protection enabled so that individuals or housing units cannot be identified. The Census Bureau produces ACS 1-year and 5-year PUMS files. Only selected geographic areas are identified in the ACS PUMS, including Region, Division, State, and Public Use Microdata Areas (“PUMAs”). Of these, PUMAs are the most detailed geographic areas available.

²³ <https://nlihc.org/housing-needs-by-state/connecticut>

²⁴ <https://www.huduser.gov/portal/datasets/cp.html>

²⁵ <https://www.towncharts.com/Connecticut/Housing/Fairfield-County-CT-Housing-data.html>

facilities. The community development plans do indicate other issues with the housing stock, including lead paint and asbestos issues.

In addition to the plans prepared for HUD, other planning efforts in Fairfield County have identified affordable housing as a key concern. The Western Connecticut's Council of Governments ("WestCog") adopted a 2020-2030 Regional Plan of Conservation and Development in January 2020 that covers most of Fairfield County. WestCog identified affordable housing as a significant need in the region stating: "Perhaps more than any single issue, the lack of affordable housing has become a limiting factor for the region's growth. Lack of available land, limited multi-family zoning options, lack of sewer services in the suburbs and the high cost of land and housing in the region have contributed to a significant shortfall in housing choice for many low- and moderate-income families."

While not a development plan, DataHaven published the Fairfield County Well Being Index 2019. Demographics tell the story of income inequality in the Fairfield County area that, along with home prices, are some of the highest in the nation. They found that "Homeownership is inaccessible to a large percentage of Black and Latino adults, and housing costs are unsustainable for many, with more than a quarter of Fairfield County renters spending more than half of their income on rental housing."

Bridgeport, a town in Fairfield County with one of the lowest per household incomes, has created neighborhood revitalization zones ("NRZs"), where all stakeholders in the neighborhood come together to identify and prioritize needs to expand and improve business and housing in LMI areas. Once approved as NRZs, they become eligible to borrow state money to purchase blighted properties or offer low-interest loans to qualifying businesses for facade improvements. To date, seven NRZs have been approved in Bridgeport.

As noted previously, Stamford is one of only four towns in the County that has met the State of Connecticut's 10% affordable housing goal. In its most recent plan, approved in 2015, Stamford continues to prioritize affordable housing.

The town of Fairfield has begun a strategic planning process and held workshops of subject matter experts in August 2019. In the August 7, 2019 workshop the point was made that "to keep growing, there may be a need for a different form of residential development – one that has aspects for both younger and older residents. Lacking such could lead to being unable to react to emerging economic and demographic changes." The City of Greenwich also identified similar housing needs in the plan they approved November 2019.

The current pandemic will have an impact on the estimates of the need for affordable housing. The DataHaven Community Wellbeing Survey conducted in August 2020 found that 10% of the 1,100 adults surveyed reported that they did not have enough money to provide adequate housing for themselves or their family in the past year. In 2018, the DataHaven Community Wellbeing Survey

estimated this percentage at 8%, suggesting that difficulty covering costs may have risen during the COVID-19 pandemic despite the introduction of several policies designed to assist households facing housing insecurity.²⁶

C. Implications for Bank’s CRA Compliance Strategy

Given that the greatest need is for affordable housing for very low- and low-income households, Bank can make the biggest contribution to closing the affordable housing gap by partnering with Fairfield County not-for-profits with active programs that address various components of this issue. As stated in the Connecticut Consolidated Plan the “needs vary not only by county, region and municipality, but by neighborhood and borough.” By partnering with organizations embedded in their local communities, Bank can add its contributions to proven efforts.

Fairfield County is home to four Community Development Financial Institutions (“CDFIs”), two Community Development Credit Unions (“CDCUs”), one additional NeighborWorks member organization and one community foundation focused on closing the opportunity gap in Fairfield County by eliminating disparities in income, education, employment, housing and health. These organizations are working to improve the affordable housing situation in Fairfield County.

Among them, they have programs to address financial literacy, help prospective homeowners improve their credit and finance down payments, provide financial and consulting assistance to potential housing developers, aid small businesses that create jobs, and provide financial and consulting advise to other not-for-profits operating in this area. One CDFI is focused on providing financial and consulting assistance to organizations focused on mental health, a need particularly identified in the Greenwich Consolidated Plan. Each of these organizations has a proven track record for making impactful investments that help a substantial number of Fairfield County residents. By partnering with these organizations, Bank can leverage its affordable housing loans and investments to make a larger impact on the local community.

²⁶ <https://www.ctdatahaven.org/blog/new-datahaven-survey-provides-reliable-information-help-connecticut-communities-understand>.

SECTION 5: PERFORMANCE CONTEXT

A. Bank's Business Model

Bank will be a nationally-chartered digital bank, operating exclusively in the United States and headquartered in Stamford, Connecticut (Fairfield County). Bank will serve customers nationwide but does not intend to operate any retail branches or deposit-taking ATMs. The CRA Strategic Plan is aligned with the overall purpose of Bank, which is to be a valued contributor to customers, and the communities in which it operates.

As described in Section 1, Bank's business model is based on four pillars; providing a personalized customer experience, leveraging technology to be nimble and cost efficient, and having a diversified asset and deposit mix. This combination will allow Bank to be a source of financial support for its customers and their communities. Bank will offer competitively priced deposit products, commercial loans, residential mortgages and asset-based loans. Retail loan and deposit products will be offered via digital and call center channels which will provide a personalized, concierge level customer experience. Bank plans to devote approximately 30% of its assets to its primary retail loan product, residential mortgages. Commercial loans, asset-backed loans, mortgage servicing rights, cash and securities make up the remainder of Bank's assets.

To deliver these products, Bank will use the most up-to-date digital technology. Bank will not be burdened with a costly branch system or legacy technology. Bank will be able to adopt the most current and efficient technology solutions, thereby allowing it to be nimble in its response to changing customer preferences. Bank will be able to share the resulting operating efficiencies with depositors in its initial anchor product, a competitively priced, all-digital savings account. Bank will use best-in-class partners to offer retail products and services delivered via third-party outsourcing arrangements, application programming interfaces, or other digital means. Bank's diversified asset and deposit mix will help it withstand adverse economic scenarios by being diversified across geographies, industries, and market segments. Thus, the four pillars that underpin Bank's business model will ensure that Bank is able to provide serve the local community.

As a bank with a national footprint, Bank is focusing its CRA efforts on qualifying community development lending and investments that Bank will conduct in its Assessment Area and in the broader region that includes Fairfield County, the State of Connecticut and the New York-Newark, NY-NJ-CT-PA CSA. Bank will work with community not-for-profits and governmental programs to help address the needs identified in the various regional development plans. Helping to fund the existing efforts to increase affordable housing and community development in the County, State and broader region will allow Bank to make a meaningful contribution to these areas where there is an identified need.

B. Competitive Environment

Bank faces substantial competition in Fairfield County from large, entrenched competitors with significant shares of the local loan and deposit markets. Table 1 below identifies the top 30 single-family mortgage lenders in the Fairfield County community for the twelve months ended December 31, 2019. As shown in Table 8, 503 different mortgage lenders originated 43,032 residential mortgage loans in Fairfield County, with the top 30 lenders accounting for 29,203 of these loans, or 67.9%. This same group of lenders, which include most of the largest mortgage lenders in the country, originated 5,500 of the 8,976 loans secured by properties located in LMI census tracts. In 2019, these 503 lenders originated \$18.7 billion of mortgage loans, including \$2.3 billion or 12.48% secured by homes in LMI census tracts.

**Table 8: 2019 Single-Family Mortgage Market Share
Fairfield County, Connecticut**

Respondent Name	Assets	TOTAL			LMI TRACTS		
		Rank	#	% of Total	Rank	#	% of Total
WELLS FARGO BANK NA	1,689,351,000	1	3,110	7.23%	1	523	5.83%
BANK OF AMERICA NA	1,782,639,000	2	2,800	6.51%	5	356	3.97%
JPMORGAN CHASE BANK NA	2,140,778,000	3	2,663	6.19%	2	445	4.96%
PEOPLES UNITED BANK NA	47,601,600	4	2,358	5.48%	4	371	4.13%
QUICKEN LOANS	NA	5	1,771	4.12%	3	378	4.21%
WEBSTER BANK NA	27,614,851	6	1,461	3.40%	12	189	2.11%
CITIBANK NA	826,876,000	7	1,286	2.99%	7	225	2.51%
TOTAL MORTGAGE SERVICES LLC	NA	8	1,093	2.54%	6	341	3.80%
CBNA	129,426,633	9	1,050	2.44%	14	167	1.86%
LOANDEPOT LLC	NA	10	991	2.30%	7	225	2.51%
TD BANK	302,668,929	11	933	2.17%	10	195	2.17%
US BANK NA	459,476,604	12	880	2.04%	27	87	0.97%
NEWTOWN SAVINGS BANK	1,318,237	13	647	1.50%	27	87	0.97%
UNITED SHORE FINANCIAL SERVICES LLC	NA	14	615	1.43%	12	189	2.11%
GUARANTEED RATE INC	NA	15	605	1.41%	21	108	1.20%
CALIBER HOME LOANS INC	NA	16	567	1.32%	9	223	2.48%
GUARANTEED RATE AFFINITY LLC	NA	17	564	1.31%	24	93	1.04%
KEYBANK NATIONAL ASSOCIATION	137,976,503	18	506	1.18%	38	66	0.74%
SAVINGS BANK OF DANBURY	1,079,812	19	484	1.12%	18	122	1.36%
FAIRFIELD COUNTY BANK	1,486,214	20	470	1.09%	38	66	0.74%
WILLIAM RAVEIS MORTGAGE LLC	NA	21	469	1.09%	25	91	1.01%
NEWREZ LLC	NA	22	465	1.08%	16	151	1.68%
FREEDOM MORTGAGE CORPORATION	NA	23	462	1.07%	15	152	1.69%
SIKORSKY FINANCIAL CREDIT UNION	NA	24	453	1.05%	35	71	0.79%
FIRST COUNTY BANK	1,674,924	25	442	1.03%	29	81	0.90%
FAIRWAY INDEPENDENT MORT CORP	NA	26	441	1.02%	19	114	1.27%
NATIONSTAR MORTGAGE	NA	27	428	0.99%	17	140	1.56%
M AND T BANK	119,636,147	28	418	0.97%	22	97	1.08%
PRIMELENDING	NA	29	401	0.93%	34	73	0.81%
CROSS COUNTRY MORTGAGE INC	NA	30	370	0.86%	33	74	0.82%
REPORT TOTAL (TOP 30 RESPONDENTS):			29,203	67.86%		5,500	61.27%
REPORT TOTAL (ALL 503 RESPONDENTS):			43,032	100.00%		8,976	100.00%

Table 9 identifies all IDIs with publicly accessible offices in the Fairfield County community to be served by Bank. As shown in Table 2, as of June 30, 2020, 29 FDIC-insured banks and savings

institutions operated 345 publicly accessible offices in Fairfield County and reported \$57.1 billion in aggregate deposits, of which 73.6% were held by the top ten institutions. This compares to \$48.9 billion of deposits reported as of June 30, 2019, an increase of \$8.2 billion or 16.8%. The Herfindahl Hirshman Index (“HHI”), a widely used measure of market concentration (calculated by summing the square of the individual market shares), indicates that the deposit market in Fairfield County is moderately concentrated,²⁷ indicating that the community would benefit from the increased competition provided by Bank.

Table 9. FDIC-Insured Banks and Savings Institutions in Fairfield County Community

Community to be Served: Fairfield County: CT					As of June 30, 2020		
2020 Rank	FDIC-Insured Institution Name	State (HQ)	Bank Class	Digital Offerings	No. of Offices	Deposits \$000	Market Share
1	People's United Bank, N.A.	CT	Bank	Yes	55	15,101,722	26.43%
2	Bank of America, N.A.	NC	Bank	Yes	38	8,576,279	15.01%
3	JPMorgan Chase Bank, N.A.	OH	Bank	Yes	42	6,389,711	11.18%
4	Citibank, N.A.	SD	Bank	Yes	14	6,071,000	10.62%
5	Wells Fargo Bank, N.A.	SD	Bank	Yes	30	4,712,139	8.25%
6	TD Bank, N.A.	DE	Bank	Yes	15	1,893,705	3.31%
7	Webster Bank, N.A.	CT	Bank	Yes	23	1,678,963	2.94%
8	First County Bank	CT	Sav Bk	Yes	17	1,418,057	2.48%
9	Fairfield County Bank	CT	Thrift	Yes	16	1,394,673	2.44%
10	Bankwell Bank	CT	Bank	Yes	11	1,387,135	2.43%
11	Union Savings Bank	CT	Sav Bk	Yes	14	1,369,747	2.40%
12	Signature Bank	NY	Bank	Yes	1	974,742	1.71%
13	Newtown Savings Bank	CT	Sav Bk	Yes	14	950,834	1.66%
14	Savings Bank of Danbury	CT	Sav Bk	Yes	10	803,040	1.41%
15	First Republic Bank	CA	Bank	Yes	1	649,535	1.14%
16	Fieldpoint Private Bank & Trust	CT	Bank	Yes	1	638,657	1.12%
17	Patriot Bank, N.A.	CT	Bank	Yes	6	634,870	1.11%
18	BNY Mellon, N.A.	PA	Bank	Yes	1	434,000	0.76%
19	The Northern Trust Company	IL	Bank	Yes	1	338,155	0.59%
20	Connecticut Community Bank, N.A.	CT	Bank	Yes	8	337,094	0.59%
21	Dr Bank	CT	Bank	Yes	3	317,076	0.55%
22	The First Bank of Greenwich	CT	Bank	Yes	2	307,973	0.54%
23	Manufacturers and Traders Trust Company	NY	Bank	Yes	9	297,678	0.52%
24	Keybank N.A.	OH	Bank	Yes	7	267,548	0.47%
25	Citizens Bank, N.A.	RI	Bank	Yes	2	108,172	0.19%
26	Liberty Bank	CT	Sav Bk	Yes	1	51,914	0.09%
27	The Milford Bank	CT	Sav Bk	Yes	1	33,669	0.06%
28	Capital One, N.A.	VA	Bank	Yes	1	5,189	0.01%
29	Wilmington Trust, N.A.	DE	Bank	Yes	1	0	0.00%
Totals for All 29 FDIC-Insured Institutions in Market					345	57,143,277	100.00%
Totals for Top 10 Institutions in Market					261	48,623,384	73.57%

Source: Federal Deposit Insurance Corporation Summary of Deposits

<https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>

²⁷ Because brokered and other “wholesale” (i.e., out of area) deposits are often attributed to home office facilities, it is likely that the deposits attributable to the local community are a lesser amount. For example, People’s United Bank, N.A., which is headquartered in Fairfield County, reported total brokered deposits of \$4.9 billion as of June 30, 2020, or 9.8% of its total deposits. Excluding such out-of-area market would likely result in a somewhat less concentrated local deposit market.

The top ten IDIs in the market include eight of the 15 largest banks in the country (JPMorgan, Bank of America, Wells Fargo, Citibank, Capital One, TD Bank, Bank of New Mellon, and Citizens Bank),²⁸ which are generally known for the low rates paid on retail checking and savings deposits and substantial fees charged on accounts that fall below minimum balance thresholds.²⁹

To assure its long-term viability, unlike other IDIs that operate costly retail branch networks in Fairfield County, Bank will not have any publicly accessible offices (or deposit-taking ATMs). This will enable Bank to operate much more efficiently and, thereby, compete more aggressively and offer superior online service and higher deposit yields to its customers. In this regard, as a digital bank, by definition Bank's products and services are designed only for online access. Accordingly, as set forth in its confidential Business Plan, Bank's products and services have been specifically designed to address the digital convenience and needs, including the specific deposit and credit needs, of customers in Bank's Fairfield County community in particular, and across the U.S. more generally.

Bank will also have a significant focus on originating residential mortgage loans, home improvement (solar) loans and commercial loans, including middle-market loans to businesses, including minority- and women-owned businesses.

C. Bank Capacity

Bank will be a well-capitalized, *de novo* institution and will need some time to ramp up its CRA efforts. [REDACTED] The goals stated within this Plan are designed to adjust proportionately with Bank's size over the three-year term. However, Bank expects to achieve meaningful scale, surpassing \$10 billion in total assets before the end of its first three years of operation and surpassing \$18 billion in five years.

Although Bank will make mortgages available to all members of the community, Bank will offer its products digitally and on a nationwide basis; hence, like its deposits, only a portion of Bank's mortgages will be secured by properties in Fairfield County. As shown in Tables 8 and 9, there are a number of traditional banks and mortgage companies operating in Fairfield County that focus specifically on providing single-family mortgage loans and retail deposit services through existing retail offices, reducing the need for Bank to focus on such activities. Instead, Bank believes that focusing on community development lending and investing will allow Bank to concentrate its

²⁸ <https://www.bankrate.com/banking/biggest-banks-in-america/>.

²⁹ There also are at least 26 federally- and state-chartered credit unions operating in Fairfield County. These entities are not required to report deposits by branch; accordingly, while these institutions have approximately \$1.5 billion in deposits (roughly 1.7% of the aggregate IDI deposits attributed to Fairfield County), it is not clear how much of these deposits are actually attributable to Fairfield County versus other geographies.

resources on higher impact products and programs. Bank believes it can have a greater and more lasting impact by leveraging the multifamily expertise of these other established organizations.

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SECTION 6: STRATEGIC PLAN MEASURABLE GOALS

A. Methodology

Bank is in the process of engaging with various community representatives within Bank's primary AA and at a state-wide level. This will include community development organizations and other interested parties to discuss the credit needs within Bank's primary AA, especially the unmet needs of low- and moderate-income individuals discussed in their various publications. These needs were reviewed and compared to Bank's products, overall business goals and objectives. CRA measurable goals were then established to address the identified credit and community development needs.

Evaluation of Peer Institutions

There are 50 FDIC-insured banks and thrifts operating with federally-approved CRA Strategic Plans. Ten of these institutions operate only one or, at most, two branches and have residential mortgage portfolios that comprise at least 5.0% of total assets. One of these institutions (Tolleson Private Bank) recently switched from a traditional CRA plan to a strategic plan and has yet to be evaluated under its new strategic plan. Three other institutions have assets of less than \$500 million (FinWise Bank, Georgia Banking Company and Titan Bank³⁰). Accordingly, based on their size and business models, these four institutions were excluded from further consideration as potential peers.

Each of the remaining six institutions have an emphasis on single-family lending,³¹ even if that is not its primary focus, and has crafted CRA goals that fit their respective business models. Ally Bank, one of the largest auto lenders in the U.S., included auto lending to LMI individuals in its goals. Silvergate Bank has over half its deposits in volatile digital currency related deposits and, therefore, maintains a low loan-to-deposit ratio for safety and soundness reasons, and this was a factor in setting CRA goals.

Charles Schwab Bank, SSB,³² a new entrant to Nevada at the time the CRA strategic plan was drafted, planned to devote time and resources to developing partnerships with not-for-profits

³⁰ Titan Bank, Mineral Wells, Texas, whose branches are located in Palo Pinto County, TX, but whose loan officers are located nationwide and make loans in all 50 states. Its primary LPO is in Dallas, Texas. Titan Bank specializes in making small business loans funded with deposits generated in part through a digital online platform, and reported assets of \$326.0 million as of September 30, 2020.

³¹ For purposes of Table 9, "single-family lending" is defined to include 1-4 family first liens, home equity loans and 1-4 family junior liens; excludes multifamily and 1-4 family construction loans.

³² The data for Charles Schwab Bank, SSB exclude its Charles Schwab Premier Bank and Charles Schwab Trust Bank affiliates. In 2020, Charles Schwab Bank, Henderson, Nevada, a federal savings bank subject to OCC oversight, converted to a Texas state savings bank charter and Federal Reserve member bank subject to oversight by the Federal

focused on addressing the credit needs of LMI individuals in its assessment area. First Internet Bank of Indiana included a goal around increasing awareness of the availability of internet banking products, services, and functionality for LMI individuals. Northpointe Bank was able to partner with a not-for-profit and leverage its efforts to support affordable housing in its assessment area. UBS Bank USA donated over \$1 million to not-for-profits that worked to address the identified community development needs.

Table 10 presents the publicly available CRA goals for the six institutions identified as peers. The data are more dated (2016 – 2017) for First Bank of the Internet, Northpointe Bank and UBS Bank USA because the information came from publicly available data reported in CRA Performance Evaluations. Some manipulation was necessary to put the reported goals on a comparable basis. The goals for all except Ally Bank include both new originations and the book value of prior-period investments still on the books. The goals for Ally Bank and Charles Schwab Bank are cumulative for the length of their plans. The range for the peer group was 0.6% to 1.4% of assets for Satisfactory and 0.73% to 1.6% for Outstanding.

Table 10: CRA Strategic Plan Peer Institutions and Goals

Institution Name	Main Office State	PFR	Assets as of September 30, 2020 (\$000)	Residential Mortgages Loans as a % of Total Loans	# of Deposit-Taking Offices	CRA Performance Goals: Cumulative Qualified Loans and Investments as a % of Average Assets		CRA Performance Goals: Community Development Total Service Hours Goals	
						SAT	OUT	SAT	OUT
Ally Bank (new originations)	UT	FED	174,591,000	13.97%	1	0.65%	0.73%	750	900
Charles Schwab Bank, SSB	TX	FED	307,945,000	68.07%	1	0.81%	1.14%	3,000	4,200
First Internet Bank of Indiana	IN	FDIC	4,330,679	7.44%	2	1.40%	1.60%	150	200
Northpointe Bank	MI	FDIC	3,155,123	70.63%	1	1.20%	1.40%	103	120
Silvergate Bank	CA	FED	2,620,425	62.89%	2	0.85%	1.20%	0	0
UBS Bank USA	UT	FDIC	77,831,265	32.53%	1	0.90%	1.10%	420	570
American Challenger Bank, N.A.	CT	OCC	N/A	N/A	1	0.40%	0.70%	150	200

Sources: BankRegData.com and most recent CRA Strategic Plans and/or Performance Evaluations

B. Measurable Goals over the Three-Year Plan

OCC guidance states, “Generally, a bank's strategic plan must address all three performance categories (i.e., lending, investments, and services), with an emphasis on lending and lending-related activities; the strategic plan nevertheless need not specify measurable goals in all three categories if the bank chooses a different emphasis. A focus on one or more performance categories may be appropriate if responsive to the characteristics and credit needs of the bank's assessment area(s), considering public comment and the bank's capacity and constraints, product offerings, and business strategy” As discussed above and in line with Bank’s business model and

Reserve, and relocated its operations to Westlake, Texas. The publicly available CRA Strategic Plan references its operations in Henderson, NV.

capacity Bank has developed two measurable goals to assess its CRA performance over the three-year life of its CRA Strategic Plan:

- Community development lending and qualified investments in nonprofit organizations within the AA and the broader CSA as allowed by OCC CRA rules and regulations. For purposes hereof, community development loans include single-family mortgages originated or purchased by Bank made to LMI households and other borrowers that reside in LMI geographies as well as other qualified community development loans.
- Community development services, including affordable housing assistance, financial education and literacy programs, within the AA, the State of Connecticut, and the broader CSA as allowed by OCC CRA rules and regulations.

Because American Challenger Bank, N.A. (proposed) is a new bank and not an established bank with established customers and community relationships, it will target goals in the lower end of this range of 0.6% of average assets for a Satisfactory rating and 0.7% of average assets for an Outstanding rating. This is what Bank plans to achieve by the end of the third full year of the implementation of its CRA Strategic Plan. As a new institution, Bank’s CRA Strategic Plan does not presently include grants or other charitable giving. These are initiatives Bank will consider once it has an established history of profitable operations.

Following the lead of other banks that have CRA Strategic Plans, Bank has chosen to present a combined, cumulative qualifying CRA community development lending and investment goal. This allows Bank to provide support in the manner that best suits the opportunity, being agnostic about whether the support is in the form of a loan or an investment. Ally Bank, Charles Schwab Bank, Silvergate Bank and UBS Bank USA all crafted their goals in this same manner. Bank will establish yearly goals as benchmarks to measure progress toward the three-year cumulative goals. Both Ally Bank and Charles Schwab Bank have presented their goals in this manner. Because it will take time to develop the relationships with identified CDFIs and other intermediaries, Bank’s interim goals will phase-up over time as shown in Tables 11 and 12 below.

**Table 11. American Challenger Bank, N.A. (proposed)
CRA Strategic Plan Goals
Cumulative Qualifying CRA Community Development Loans and Investments
(Percentages of Average Assets)**

SATISFACTORY GOAL	Year 1	Year 2	Year 3
Within the AA	0.15%	0.25%	0.35%
Within the CSA	0.05%	0.05%	0.15%
TOTALs	0.20%	0.30%	0.50%
OUTSTANDING GOAL			
Within the AA	0.20%	0.30%	0.40%
Within the CSA	0.05%	0.10%	0.20%
TOTALS	0.25%	0.40%	0.60%

**Table 12. American Challenger Bank, N.A.
CRA Strategic Plan Goals
CRA Community Development Service Plan Goals
(Number of Service Hours)**

SATISFACTORY GOAL	Year 1	Year 2	Year 3
TOTALs	30	50	70
OUTSTANDING GOAL	Year 1	Year 2	Year 3
TOTALS	40	60	100

Based on expected average assets of \$6.0 billion over the life of the three-year duration of this CRA Strategic Plan, to merit a CRA rating of “Satisfactory,” Bank shall achieve a minimum of \$38.5 million of CRA qualifying community development loans and investments and achieve a minimum 150 of qualifying CRA service hours. If Bank achieves \$46.2 million of CRA qualifying community development loans and investments and 200 service hours, it will merit a CRA rating of “Outstanding.” Lending will include mortgages to LMI borrowers, CRA qualifying community development loans, CRA qualifying investments, and donations. The targets are based on the committed amount of loans and investments originated and committed in that year plus the book value of prior period loans and investments. These targets are aggressive considering American Challenger Bank, N.A. (proposed) is a *de novo* institution and will be working to develop the partnerships required to achieve these goals at the same time it is building its organization.

The Plan tables form the basis for establishing overall dollar targets for each Plan Year. These targets include mandatory minimum targets (Satisfactory level) for combined Loans and Investments volume for its Fairfield County, Connecticut AA, including activities in the NY-NJ-CT-PA CSA (which includes Fairfield County) that directly benefit the AA or organizations or activities whose purpose, mandate or function is to benefit the AA. The framework allows Bank to structure transactions in response to community needs (either as Loans or Investments) in the AA, or the CSA, to achieve the remainder of the volumes needed under its cumulative targets, even if activities in the CSA do not serve and will not benefit the AA.

1. Plan Execution

Bank will employ an intermediary strategy to fulfill many of its objectives, partnering with CDFIs, CDCUs, and Low-Income Housing Tax Credit (“LIHTC”)³³ fund sponsors operating in the AA to leverage its impact in its Fairfield County community. Investing in, and lending to, CDFIs and CDCUs in Fairfield County will allow these organizations to leverage permanent loans can provide

³³ LIHTCs are dollar-for-dollar tax credits for affordable housing investments. The LIHTC program was created in 1986 and is the largest source of new affordable housing in the U.S. There are about 2,000,000 tax credit units today and this number continues to grow by an estimated 100,000 annually. The program is administered by the Internal Revenue Service (“IRS”). The program provides tax incentives to construct or rehabilitate affordable rental housing for lower-income households by subsidizing the acquisition, construction, and rehabilitation of affordable rental housing for lower-income tenants. <https://www.nhlp.org/resource-center/low-income-housing-tax-credits/>.

much needed long-term capital and leverage their limited financial resources to address the local needs they have identified relating to providing affordable rental housing in Fairfield County.

Pursuant to Bank's CRA Strategic Plan, Bank will do this by supporting and leveraging the existing activities of local CDFIs, CDCUs and other governmental and non-government for-profit and not-for-profit organizations whose goals embrace affordable rental housing needs in Fairfield County. While Bank will also actively promote its single-family loan products to LMI borrowers that live in Fairfield County and to other borrowers that live in LMI census tracts in Fairfield County, Bank believes it can have a greater and more lasting impact by leveraging the multifamily expertise of these other established organizations.

Bank will also evaluate opportunities to offer permanent debt on such multifamily affordable housing developments in partnership with other intermediaries. Furthermore, Bank will evaluate opportunities to sponsor the submission of applications for development projects to the Federal Home Loan Bank's Affordable Housing Program ("AHP"). In addition, Bank will look for opportunities to bring nonprofit developer partners and LIHTC fund sponsors together to help bring strong affordable housing developments to the AA.

Some of the CDFIs in Fairfield County also focus on supporting small businesses. By lending to CDFIs who have the expertise to make small business loans, Bank can leverage significant capital while supporting three critical interests – small business development, micro-lending initiatives, and CDFIs and CDCUs

Bank will execute the CRA Strategic Plan through activities that may include, but are not limited to, the following:

- Loans to and investments in CDFIs or other intermediaries that support small business development, microfinance, affordable housing and community facilities, with a particular focus on healthcare;
- Fund lending and investments that support multifamily affordable housing and projects eligible for Low-Income Housing Tax Credits;
- Fund lending and investments that support community development projects.
- Fund retail mortgage lending to LMI individuals in the AA and throughout the US via its digital platform.
- Become a Connecticut Housing Finance Authority Approved Lender and participate in CHFA mortgage programs which include down payment assistance, lower mortgage insurance premiums and below market interest rates for applicants that meet the income and sales price limits specified.

- Investment of time/expertise to help nonprofits build capacity, achieve programmatic success and advance cross-sector dialogue, strategy development and best practice approaches around community development challenges.
- Support financial literacy programs offered through CDFIs and other nonprofit partners plus offer financial education programs through Bank’s digital platform.

There are a number of regional and state-wide organizations focused on community development and/or affordable housing that Bank may access to address the need for affordable single-family and multifamily housing for LMI and ELI households in Fairfield County could assist. These include:

- **Bridgeport Neighborhood Trust** (<http://www.bntweb.org/>). The Bridgeport Neighborhood Trust is a nonprofit CDFI organization dedicated to improving the lives of families with modest means by creating safe, affordable, healthy homes in the greater Bridgeport area. Based in Bridgeport, The mission of Bridgeport Neighborhood Trust is to strengthen communities by embracing a comprehensive revitalization approach through advocacy, education, investment, and technical support. As part of its mission, the Bridgeport Neighborhood Trust works to end housing insecurity, income inequality and homelessness by creating safe, affordable housing, and providing comprehensive financial and housing counseling services. Its services include affordable housing development, foreclosure prevention, homeownership counseling and education, social enterprise initiatives and property management. It also operates an Empowerment Resource Academy, which rental counseling and eviction prevention, mobility counseling, resident engagement and empowerment services.
- **Capital for Change (“C4C”)** (<https://www.capitalforchange.org/>). Based in Hartford, C4C has grown to be the largest full-service CDFI in Connecticut. Its mission is to provide flexible, creative and responsive financial products and services that support an inclusive and sustainable economy. With support from community-minded investors and partners such as Bank, C4C serves people, non-profits, small businesses and public institutions. Its high impact programs and products broaden access to affordable housing, energy efficiency and job opportunities for underserved communities. Its services include providing loans to homeowners, small business owners and not-for-profit contractors for affordable housing in Fairfield County and throughout the State of Connecticut.
- **Community Capital Fund (“CommCap”)** (<https://www.commcap.org/>). CommCap facilitates the flow of capital and expertise into housing and economic developments that benefit low and moderate income people in the greater Bridgeport Area. Formed from the merger of two loans funds in 2005, it inherited \$12 million in business and real estate loans. Based in Bridgeport, over the past 10 years, CommCap has leveraged public and private funds from investors (including banks), developers and business owners to respond to the demand for its affordable housing and small business loans, providing more than \$23

million in financing to qualified borrowers. Its grand lending totals to date signify a big impact in the greater Bridgeport region, and include \$35.3 million provided through 211 loans, the creation of 436 housing units, and supporting 97 companies and 494 company employees.

- **Community Health Facilities Fund (“CHFF”)** (<http://www.chffloan.org/>). CHFF is a 501(c)3 CDFI organization. Based in Stamford, its mission is to assist nonprofit, behavioral healthcare organizations obtain access to capital either through the funding of loans directly to organizations or by providing financial advice and assistance that enables organizations to access capital from outside sources. Loans to developers of multifamily affordable housing and small business owners. CHP is a NeighborWorks chartered member.
- **Housing Development Fund (“HDF”)** (<https://hdfconnects.org/>). HDF is a CDFI that partners with NeighborWorks. Its mission is to facilitate the development of affordable rental and homeownership opportunities. HDF accomplishes this mission through assisting households in becoming and remaining owners of affordable homes, and through financing affordable rental opportunities for LMI households. Its service area includes Connecticut and parts of New York and Massachusetts.
- **Connecticut Housing Partners (“CHP”)** (<https://cthousingpartners.org/>). CHP’s mission is to create and sustain innovative housing, revitalize neighborhoods and enhance the quality of life for LMI residents. Based in Trumbull, it has been building this mission for nearly three decades. Today, with 508 units in 15 developments, it is one of the area’s most active producers and managers of affordable housing.
- **Fairfield County’s Community Foundation** (<https://fccfoundation.org/>). Based in Norwalk, the foundation’s goal is to close the opportunity gap in Fairfield County by eliminating disparities in income, education, employment, housing and health. Partnering with NeighborWorks, it provides grants to support Fairfield County not-for-profit entities.
- **Members Credit Union in Cos Cob** (<https://memberscu.coop/>). Based in Cos Cob, Members Credit Union is a CDCU and member of inclusiv (formerly the National Federation of Community Development Credit Unions) that seeks to be the community’s cooperative partner, helping people achieve financial security.
- **East End Baptist Tabernacle Federal Credit Union** (<http://www.usacreditunions.com/east-end-baptist-tabernacle-federal-credit-union-23896>). This CDCU and member of inclusiv is based in Bridgeport and provide financial education and small dollar loans to parishioners.

In addition, to these organizations, there are others in Connecticut and the broader CSA with whom Bank may partner.

In summary, as part of Bank’s diversity, equity and inclusion (“DEI”) and environmental, social and governance (“ESG”) commitment as well as for CRA purposes, Bank will also target loan and investment products to LMI households and/or customers in LMI geographies and to middle-market businesses in the healthcare sector both within and outside Bank’s delineated AA. In addition, Bank may partner with state and municipal housing and community development authorities to provide mortgage loans targeted to first-time borrowers, LMI borrowers, and/or properties located in LMI geographies for CRA and fair and responsible banking purposes. Bank may also acquire CRA qualifying single-family mortgage loans from third-party loan originators on a flow basis and, from time-to-time, via “bulk purchase” transactions.

C. Alternate Evaluation Method

Bank is committed, at the very minimum, to meeting this Strategic Plan’s measurable goals for a “Satisfactory” rating. Based on Bank’s business model, Bank would not elect to be evaluated under an alternative assessment method if it fails to achieve a Satisfactory rating under this strategic plan. It is the intent and expectation of management that Bank will meet or exceed all goals established in this Plan.

SECTION 7: OTHER INFORMATION

A. Input to the Development of the Strategic Plan

Bank's Board and senior management participated in Bank's needs assessment process through reviews of reports prepared by various nonprofit and for-profit entities to learn about needs within Fairfield County, as well as related challenges and opportunities. Bank also reviewed and analyzed several informative reports provided by government entities, as well as community development organizations, to help identify needs within Fairfield County (links to these reports are included in [Appendix C](#)).

B. Public Comments on the Strategic Plan

Bank will publish notice of the availability of its proposed draft Plan as soon as practicable following the date hereof in the *Stamford Advocate*, a daily newspaper of general circulation headquartered within Bank's established AA, the *Connecticut Post*, a daily newspaper of general circulation headquartered in Bridgeport, CT the largest town in Fairfield County and the *Danbury News-Times*, a daily newspaper of general circulation headquartered in Danbury, CT. These three newspapers cover the majority of the LMI census tracts shown in Exhibit 2. Bank will amend the draft Plan to (i) summarize the public comment letters received and (ii) address any concerns identified therein, where permissible under current CRA rules and regulations. All comments received will be taken seriously when finalizing the Plan. All comment letters will be provided to the OCC as a part of the draft submission. The letters will become part of Bank's Public file and can be obtained upon request. A draft newspaper notice is attached as [Appendix D](#).

C. Changes to the Strategic Plan

Bank will request the OCC's approval to modify or amend the Plan if there is a material change in its underlying assumptions or in Bank's mission, objectives or operations. In such an event, Bank would administer the modified or amended Plan in accordance with the OCC's requirements, timeframes, and guidelines for approval of a CRA strategic plan. Bank will monitor the location of its total retail domestic deposit growth and review concentrations annually. If 50% or more of Bank's retail domestic deposits come from outside Fairfield County, as is likely over time, Bank will review its retail domestic deposit concentrations to determine whether any such concentration drawn from any given state exceeds 5% of Bank's total retail domestic deposits. Should this occur, Bank will take steps to delineate the required deposit-based AA(s).

D. Monitoring Strategic Plan Performance

Bank's Board of Directors and senior management will ensure adequate resources are dedicated to implementing the Plan, and will oversee Bank's progress in meeting the measurable goals

outlined in the Plan. Bank recognizes that the community development lending, investment, and service goals outlined in this strategic plan are based on general assumptions about Bank's business model and industry as well as general economic conditions. These assumptions and conditions may change. As a result, Bank's Board of Directors and/or the Board Audit Committee will monitor Bank's performance on a periodic basis. The CRA and Fair and Responsible Banking Officer will prepare regular reports on Bank's CRA performance for Senior Management and the Board Audit Committee to track Bank's performance.

E. CRA Public File

Bank will maintain a public file that includes, among other things, written comments related to assessment area needs, a copy of the public section of Bank's most recent performance evaluation, and a copy of the most current approved plan. Bank will make available to the public a notice explaining to customers that they are entitled to certain information.

Bank's CRA Officer will be responsible maintaining Bank's CRA public file and for metrics and performance reporting that ultimately go to the Board as well as developing training material for the Board, management and employees to help them understand their CRA responsibilities. The CRA Officer will collaborate with business-line management to evaluate new opportunities that support community development and reinvestment. The CRA Officer also chairs the CRA Committee. In addition, Bank will appoint a Community Outreach Officer who will be responsible for increasing Bank's financial outreach in LMI census tracts within the AA for the specific purpose of directly originating CRA qualifying residential mortgage loans.

APPENDICES

A. Bank Pro Forma Financial Highlights

B. Map of Multistate New York-Newark, NY-NJ-CT-PA Combined Statistical Area (CSA)

C. List of Reports on Community Development and Credit Needs in Fairfield County, Connecticut and NY CSA

D. Draft Public Notice of Bank's Draft Strategic Plan (copy of actual published notice)

E. Census Tracts Demographic Report for Bridgeport-Stamford-Norwalk, CT MSA (Fairfield County)

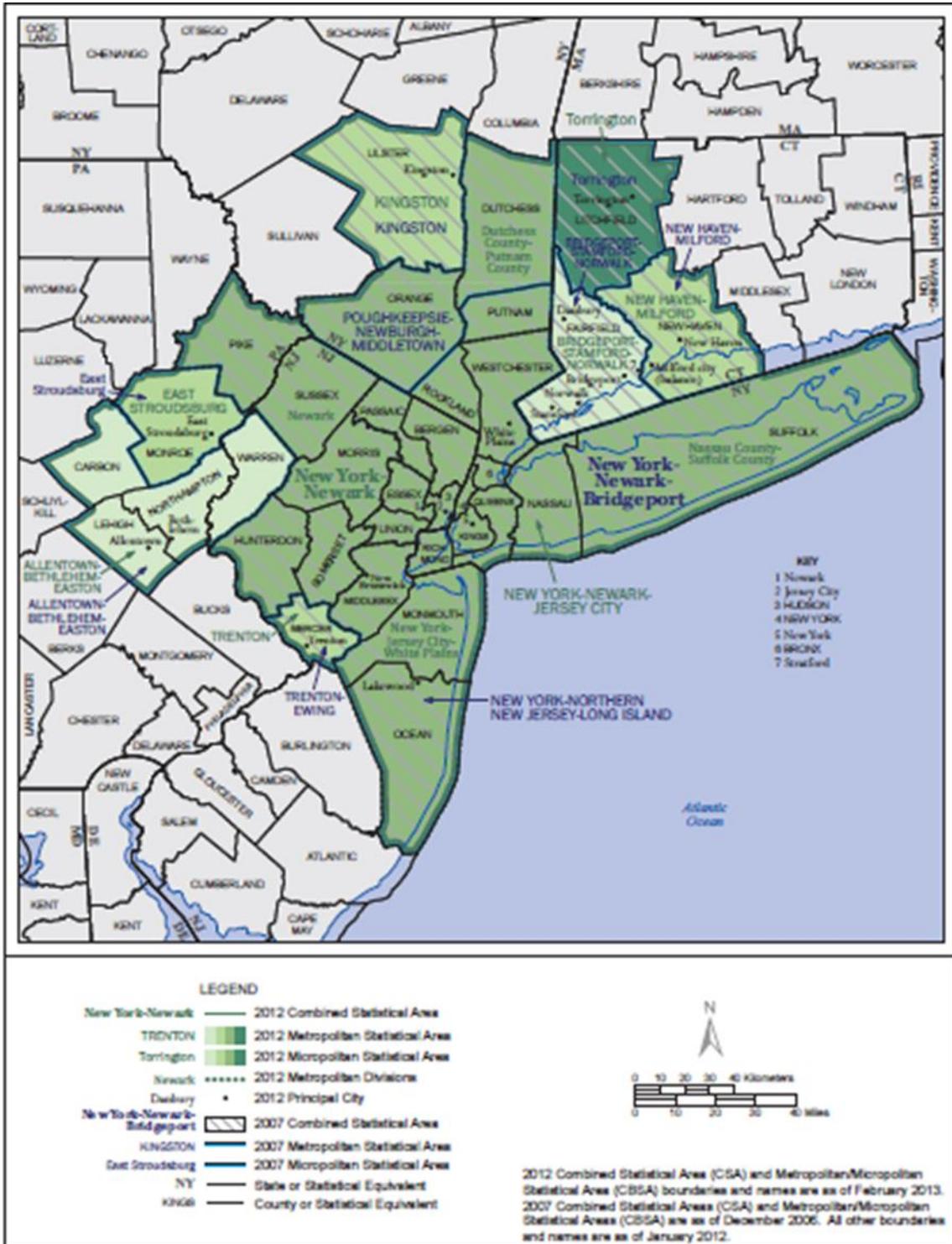
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	Day One	Year 1	Year 2	Year 3
[Redacted]				

Appendix B

Map of Multistate New York-Newark, NY-NJ-CT-PA Combined Statistical Area



U.S. DEPARTMENT OF COMMERCE Economics and Statistics Administration U.S. Census Bureau

2012 Economic Census

Appendix C

Reports on Community Development and Credit Needs in Fairfield County

Bridgeport Community Development Plan (2020-2024)

Danbury Community Development Plan (2018-2022)

Fairfield Community Development Plan (2015-2019)

Greenwich Community Development Plan (2015- 2019)

Stamford Community Development Plan (2015-2019)

Stratford Community Development Plan (2015-2019)

<https://www.hudexchange.info/programs/consolidated-plan/con-plans-aaps-capers/>

Bridgeport Neighborhood Revitalization Plans 2005 – 2018

<https://www.bridgeportct.gov/nrz/nrz-plans>

Connecticut Consolidated Plan 2015-2019

<https://business.ct.gov/-/media/DOH/ConPlanWithAPForPubpdf.pdf>

City of Greenwich Plan of Conservation and Development, November, 2019

https://www.greenwichct.gov/DocumentCenter/View/13533/Greenwich_POCD_v10

Fairfield County Community Wellbeing Index 2019, DataHaven in partnership with Fairfield County's Community Foundation, and a Community Health Needs Assessment for the towns served by Bridgeport Hospital, Danbury Hospital, Greenwich Hospital, Norwalk Hospital, St. Vincent's Medical Center, and Stamford

https://f2q4j2hltvexe31v1j1b8w14-wpengine.netdna-ssl.com/wp-content/uploads/2019/10/DataHaven_FairfieldCounty_Community_Wellbeing_Index_2019.

Fairfield Strategic Plan Subject Matter Expert Working Session Summaries, August 2019

https://www.fairfieldct.org/filestorage/10736/12858/52569/52579/91048/SME_Working_Session_Summary_%28Final_12-10-2019%29.pdf

FHLB Boston 2020 Targeted Lending Plan

http://www.fhlbboston.com/downloads/communitydevelopment/community_lending_plan.pdf

Fourth Regional Plan: Making the Region Work for All of Us, Regional Plan Association (NY, NJ and CT), November 2017 <http://library.rpa.org/pdf/RPA-4RP-Executive-Summary.pdf>

Is Housing in Fairfield County Fair? April 24, 2020, Fairfield County's Community Foundation

<https://fccfoundation.org/fair-housing-in-fairfield-county/>

2020 – 2030 Western Connecticut Regional Plan of Conservation and Development, Western Connecticut Council of Governments

https://westcog.org/wp-content/uploads/2020/01/ADOPTED_-2020-2030-Western-Connecticut-Regional-Plan-of-Conservation-and-Development_01232020.pdf

Stamford Master Plan 2015-2025

https://www.stamfordct.gov/sites/stamfordct/files/u358/final_draft_12.16.14_0.pdf

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Appendix D
Draft Publication Notice

**NOTICE OF FILING OF APPLICATION TO ORGANIZE AND OPERATE
AN INSURED NATIONAL BANK**

In accordance with Section 5.8 of the regulations of the Office of the Comptroller of the Currency (the “OCC”), public notice is hereby given that on July [•], 2020 the organizers of American Challenger Bank, N.A. (the “Bank”), a proposed de novo national bank to be located in Stamford, Connecticut, Fairfield County (specifically expected to be located within either the 06901 or 06902 zip codes), have filed an Interagency Charter and Federal Deposit Insurance Application (the “Application”) with the OCC (and a draft version thereof with the Federal Deposit Insurance Corporation (the “FDIC”) for permission to organize and operate an insured national bank if the application is approved and other conditions are met. The organizers of the Bank are: Felix Scherzer, Raymond J. Quinlan, Andrew K. Morgan, Elizabeth Kenney Wynnck and Douglas J. McDonald.

The Application includes the Bank’s proposed Strategic Plan to fulfill its obligations under the Community Reinvestment Act.

Any person wishing to comment on this application, including the proposed Strategic Plan, should file his or her comments with the Director for District Licensing, Office of the Comptroller of the Currency, Northeastern District, 340 Madison Ave. 5th Floor, New York, New York 10173-0022, not later than 30 days after the date of publication of this notice. The closing date of this comment period is August [•], 2020, and may be extended. A separate notice will be published upon the organizers’ filing of a final application for federal deposit insurance with the FDIC and will detail instructions for any person wishing to comment on such application.

Additional information regarding the application (including the closing of the comment period) may be found in the OCC’s Weekly Bulletin available at www.occ.gov.

The non-confidential portions of the application are on file at the appropriate OCC offices and are available for public inspection during regular business hours. Photocopies of the nonconfidential portion of the application file will be made available upon request.

Appendix E
Census Tracts Demographic Report for
Bridgeport-Stamford-Norwalk, CT MSA (Fairfield County)

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