



## **Summary of the Community Benefits Agreement between the National Community Reinvestment Coalition and Santander Bank, N.A.**

Santander will lend or invest \$11 billion to low- and moderate-income (LMI) borrowers and in LMI communities over a five-year period from 2017 to 2022. This commitment comes out to 14% of Santander's assets, or 19% of its deposits.

### **Mortgage Lending to Low- and Moderate-Income Borrowers & Communities**

**Community Benefits Commitment:** **\$4.1 billion over 5 years**

Santander will adopt a mortgage lending goal for LMI borrowers and neighborhoods of \$4.1 billion - including \$1.85 billion in home purchase, \$900 million in refinance lending, \$103 million in home improvement lending, and \$1.3 billion in home equity lines of credit. At least half of the LMI home purchase lending will be to LMI borrowers. Santander will work with its Community Advisory Board to explore innovative affordable home improvement products that can help LMI families, including seniors, invest in home repairs on limited incomes. Santander will also add lender-paid mortgage insurance and down payment/closing cost assistance to its existing affordable mortgage programs.

### **Small Business Lending to Small Businesses & Low- and Moderate-Income Communities**

**Community Benefits Commitment:** **\$1.9 billion over 5 years**

Santander's lending goal for businesses in LMI neighborhoods is \$1.9 billion. Santander will implement a philanthropic strategy to support very small businesses and develop small business financial education programs and partnerships where Santander employees can play a leadership role in helping micro-businesses grow. Santander will also work with CDFIs and not-for-profit organizations to develop a formal referral program for small businesses that are not approved for Santander loans, but who may be eligible for a CDFI product.

## **Community Development Lending and Investment (CDLI)**

**Community Benefits Commitment:** **\$4.9 billion over 5 years**

**Santander will devote \$4.9 billion to community development loans and investments.** Santander will launch new affordable housing construction loan and bridge lending products in 2017 and 2018. Through these products the Bank will expand its ability to partner with Low-Income Housing Tax Credit (LIHTC) and other affordable housing developers to support the addition of new affordable housing units and the preservation and renovation of affordable housing. Santander will develop a new CDFI loan product that offers below-market rates.

## **Philanthropy**

**Community Benefits Commitment:** **\$55 million over 5 years**

**Santander will disseminate \$55 million in grants over the next five years.**

Santander's community development grants strategy will be focused on promoting economic development and prosperity for LMI families and neighborhoods through a range of wealth building strategies. These strategies include homeownership preservation, neighborhood stabilization and increased small business ownership and entrepreneurship in low-wealth communities. These grant investments will support: business planning, technical assistance for capacity building, financial education and home ownership training.

## **New Branches**

Santander plans to open 10 new LMI branches in LMI neighborhoods and communities of color as part of this plan. Target areas include New York City, Philadelphia and Boston. In 2017 and early 2018, Santander plans to open a total of 3 new LMI neighborhood branches: one each in the Bronx, Brooklyn and Queens. Between 2018 and 2021, Santander Bank will open additional branches in New York City and will work with the Community Advisory Board to discuss neighborhoods where additional banking services may be needed. Santander will target one to two branches in Philadelphia and one in Boston to help serve LMI neighborhoods. The Bank will work with its national and local Community Advisory Boards to identify neighborhoods and potential locations.

## **Plan Governance**

Santander will form a national Community Advisory Board (CAB) in 2017. Membership of the CAB will include leaders of not-for-profit community development organizations and financial inclusion organizations, as well as community development policy organizations, and representatives of local or state economic development or housing agencies. The CAB will meet twice annually. Regional Advisory Boards will be formed for Massachusetts and New Hampshire; Connecticut and Rhode Island; New York; New Jersey; and Pennsylvania and will begin meeting in late 2017 and early 2018. Santander will also continue to meet with community stakeholders in Delaware.