

COMMUNITY REINVESTMENT GOALS

2. GOALS

- a. Provide an overview of the financial institution's annual Community Reinvestment Goals.**

Bank of America's commitment to community development has earned six consecutive "Outstanding" CRA ratings from the Office of the Comptroller of the Currency" (OCC) who monitors and evaluates the Bank's compliance with the Community Reinvestment Act. Bank of America achieves CRA goals through a variety of community development initiatives including flexible and innovative mortgage, small business and consumer loan products; investments in Low Income Housing, Historic and New Markets Tax Credits; Community Development Financial Institutions (CDFIs); Contributions to nonprofits; qualified Real Estate and Commercial Community Development Loans; and a variety of Community Development Services including volunteer efforts in the community through delivery of financial literacy education and participation on nonprofit Boards.

- b. Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.**

Type	2008 Goals	2008 Results	2009 Goals
Small Business Loans	1232	954	620
Home Mortgages	827	511	560
Home Improvement Loans	102	38	35
Community Development Investments	3	9	5

If applicable, explain why 2008 results did not meet the stated goal or other significant comments related to the 2008 or 2009 goals. The number of small business, home mortgage and home improvement loans originated was lower than predicted. In 2007, 1,540 small business loans, 1,034 mortgages and 128 home improvement loans were originated in LMI census tracts. At the time of the 2008 goal forecast, we adjusted 2007 results downward by 20% based on the continuing slowing of the economy. Due to the severe economic downturn in 2008, these goals were not reached. Although in 2008 we set a goal of 3 Community Development Loans / Investments, since the economy continued to lag, our actual results were 9 Community Development Loans / Investments. The total invested was \$38.4 million and all the projects were high impact.

In 2009, we reduced our forecast for all areas, except a 10% increase in home mortgage loans, over 2008 results as the economy continues to face severe challenges with anticipated improvement toward year-end.

- c. **Provide the actual number and dollars of small business loans, home mortgages, home improvement loans, and community development investments made in neighborhoods within the City of Philadelphia.**

Calendar Year 2008

Number of Loans

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	181	330	195	55	761
Home Improvement	14	24	13	2	53
Small Business Loans	284	670	511	291	1756
Community Development		9			9
Consumer Loans	73	108	93	46	320
Total:	552	1141	812	394	2899

Value of Loans (\$)

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	22,132,000	45,274,000	36,822,000	19,750,000	123,978,000
Home Improvement	964,000	1,300,000	909,000	442,000	3,615,000
Small Business Loans	6,996,000	12,922,000	5,940,000	7,751,000	33,609,000
Community Development		38,454,000			38,454,000
Consumer Loans	4,270,000	7,426,000	7,507,000	10,713,000	29,916,000
Total:	34,362,000	105,376,000	51,178,000	38,656,000	229,572,000

Notes:

1. *Community Development Loans and Investments total \$38.4 million in LMI census tracts (we did not break-out between low- and moderate-income tracts).*
2. *Residential Mortgages includes both Home Purchase and Refinance loans.*
3. *Consumer Loans includes Auto, Secured and Unsecured Personal Loans and Non-HMDA Home Equity Lines of Credit (does not include Credit Card Loans).*

Community Development Loans and Investment Results – 2008: Bank of America had excellent CD Loan and Investment results in 2008 with 9 for \$38.4 million.

2008 Community Development Investments:

Martin Luther King Plaza Phase Four – \$5,017,169

Bank of America invested \$5 million in Low Income Housing Tax Credit (LIHTC) equity to finance the construction of 35 units and the rehabilitation of 7 units of multi-family affordable housing. MLKing Plaza Phase Four is located among scattered sites, within a 12-block area. The redevelopment of the previous phases of MLK and the surrounding improvements to South Broad Street (Avenue of the Arts) have drastically improved the neighborhood making it desirable to low-moderate and higher income residents. The property is the fourth phase of the MLK Plaza Hope VI revitalization effort. The property will offer spacious rooms and a high level of finishes, central heating and air conditioning, modern kitchens and baths, onsite parking and fenced yards. All residents will have access to the new park and a refurbished community center operated by Universal Community Homes. Universal will also provide residents social services including job training and personal case management. All 42 units will be subsidized public housing targeted to families paying no more than 30% of their income in rent. 14 of the units will be affordable to individuals and families earning no more than 30% of Area Median Income (AMI), 14 will be no more than 40% of AMI and 14 will be no more than 60% of AMI.



Cloisters III – \$3,936,161

Bank of America invested \$3.9 million in LIHTC equity for the rehabilitation of Cloisters III, a 50 unit multifamily affordable housing apartment complex. The project will consist of 15 two- and three-story buildings. This is the third phase of a successful LIHTC development in the Mantua Urban Renewal Area neighborhood of Philadelphia. The Urban Renewal Area has developed new for-sale housing and apartments, a recreation center, a public library, and two new playgrounds near the subject. The property is approximately 1/4 mile from the Presbyterian Hospital and within one mile of both Drexel University and the University of Pennsylvania. Two blocks west of the site, the local business district along Lancaster Avenue provides access to supermarkets, convenience stores, discount stores, a small branch post office, and a bank. The subject location is well-served by public transportation and is conveniently located within one mile of Interstate 76.

Six units will be restricted to households earning no more than 20% of AMI; five units will be restricted to households earning no more than 40% of AMI; 15 units will be restricted to households earning no more than 50% of AMI; and 24 units will be restricted to households earning no more than 60% of AMI. In addition, ten of the units will further target the homeless. Each unit will feature a range/oven, a refrigerator, a garbage disposal, mini-blinds, carpeting, in-unit washer and dryer hookups, central air-conditioning, and digital accessibility. Common area amenities will include a community facility with a computer lab and common laundry facilities. 90 off-street parking spaces will be available at the site. Residents will have access to child care and supportive services through the People's Emergency Center.

The Hotel Palomar – \$17,000,000

Bank of America invested \$17 million in Historic Tax Credit equity to finance the substantial rehabilitation of a 1920's-era historically significant building into a 234-room boutique hotel. The 24-story Art Deco building is located in the central business district and Philadelphia's prestigious Rittenhouse Square neighborhood. Hotel Palomar will be the city's first highly stylized, boutique hotel and gathering spot, and fill a void that previously existed for Philadelphia's corporate, leisure and convention-travel customer base. The hotel will feature a ground floor restaurant and bar, approximately 6,500 square feet of meeting space including a 2,100 square foot ballroom and a fitness center.

Garnet LIHTC Tax Credit Fund – \$559,195

Bank of America Leasing invested \$106,757,775 in a Low Income Housing Tax Credit Fund. The Fund will invest \$559,159 in Philadelphia. The total investment will provide 149 new construction and rehabilitation housing projects for families and seniors. Properties are located across the United States and have a total of 10,933 units; 8,366 affordable at 60% of AMI and 2,567 are market rate creating mixed-income communities.

2008 Community Development Loans:

Universal CDC – \$2,000,000

Bank of America provided the renewal of a \$2 million revolving credit facility for the construction of homes in South Philadelphia. Universal, a non-profit community development corporation, acquired the sites with below market financing provided by the Philadelphia Redevelopment Authority. All homes will be sold at market rates. Revitalization of this area is included in the City of Philadelphia's Neighborhood Transformation Initiative (NTI). Universal

Companies' vision is to create a community development model which rebuilds the infrastructure in South Philadelphia by developing and implementing a holistic approach to community development that includes real estate and economic development, small business creation, K-12 education, social services and technology. Universal has 15 years of experience redeveloping homes and improving education in the south central neighborhood of Philadelphia and has been the primary force working to rebuild this blighted urban neighborhood.

Collaborative Lending Initiative, Inc. – \$3,700,000

Community Development Banking invested \$3.7 million in CLI, a revolving credit facility. The Bank's renewal of its participation in this line of credit provides financing for low- to moderate-income housing as well as commercial development and charter school funding throughout Philadelphia, Pennsylvania and New Jersey. CLI is a subsidiary of The Reinvestment Fund (TRF), a Certified Community Development Financial Institution (CDFI). By accessing capital through a network of investors, TRF has financed more than 2,200 projects delivering over \$690 million in capital.

SBA 504 Community Development Loans – \$6,242,000 (3 transactions)

7501 Edmund LLC- A \$2,690,000 loan for the purchase of an existing commercial building in Philadelphia represents the bank's long-term, private portion of the funding package. The subject transaction is for the purchase and improvements, including additions, of an existing commercial building. The Operating Company manufactures and sells fixtures for retail stores. The new building will allow the borrower to grow and control costs. The loan will allow the operating company to consolidate its operations into a new facility. In addition, the company lost one of its locations to fire and utilizing the SBA program enables the small business to obtain financing with substantially less cash investment than is typical in conventional financing.

7501 Edmund LLC - The \$2,152,000 portion of the long term financing required in connection with the construction will be provided through the issuance of debentures guaranteed by the U.S. Small Business Administration pursuant to a Section 504 Authorization. Pending issuance of the Debentures, the bank has agreed to provide a short-term bridge loan.

Tommy 718 LLC - A \$1,400,000 transaction represents a 90-day extension of a lending package for the purchase, improvements and additions of a commercial building. The Operating Company provides photographic services for weddings, special events, and high-end family pictures in the Philadelphia market.

- d. **Provide information or general statement of other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development). Note: If possible avoid attachments and use only the space provided.**

Bank of America provided grants to 70 non-profits in Philadelphia totaling \$2,575,000 in 2008. The grants above \$40,000 are highlighted below:

Asociacion Puertorriquenos En Marcha (APM)**Grant size: \$200,000 - \$100,000 paid in 2008**

Bank of America funds will be used to expand APM's existing housing counseling program as part of APM's Economic Mobility Center initiative (EMC). The EMC is a comprehensive asset and wealth building tool that will link low-income families to financial tools and products, which, in turn, will increase asset accumulation and the overall financial well-being of low-income families. The EMC model offers targeted programmatic delivery to different households based on specific family needs, partnerships with local financial programs, and centralized supportive services located within the EMC. APM proposes to link its housing counseling services with Trumark Credit and other financial institutions. Core programs for the EMC are one on one counseling, IDA accounts, EITC preparation, financial services, financial education and credit counseling. APM's main objective is to bring non-bank residents and clients into utilizing banking services, eliminate predatory and pay day lending practices by predatory lenders, educate consumers on the use of equity, and provide financial planning services.

Congreso de Latinos Unidos**Grant size: \$40,000**

General operating support funding from the Bank of America Foundation will expand the youth pilot program that targets youth who are "at-risk" from dropping out of school and ensures their success measured by literacy/numeracy gains, grade promotion, attendance, and/or behavior. The program will be run in Edison High School and decrease the school's dropout rate by 50%. This program implements a client management system to streamline the provision of services to students in their programs. This model was designed based on the fact that most of Congreso's clients have multiple needs yet only a very small percentage engage in multiple services to meet those needs. The PCM will link the youth and their families with the appropriate supportive services to meet those needs, and follow-up to ensure the youth are actually receiving these supportive services.

The Enterprise Center**Grant size: \$200,000 - \$100,000 paid in 2008**

Bank of America funding will strengthen TEC's efforts to increase the success of minority entrepreneurs through three specific projects: leadership identification, diversity training, and improved external advocacy. Importantly, TEC has already begun to design a strategic plan that will guide its efforts to increase organizational capacity. Bank of America funding will provide core support for the implementation of this plan's strategies to increase TEC's ability to serve the minority business community.

Franklin Institute**Grant size: \$60,000**

General operating support of \$60,000 will enable the Institute to carry out the programs and activities that fulfill its educational mission to inspire a passion for science and technology learning. Each year, the Institute impacts the lives and education of millions of people -- both children and adults -- through exhibits, activities, and programming featured at the Institute and numerous outreach programs that take the Institute's unique brand of dynamic, hands-on science learning beyond the museum's walls. As the Commonwealth of Pennsylvania's most visited museum, the Institute welcomes more than one million visitors annually, which includes more than 300,000 students who visit with their school or youth group on a fieldtrip. Another 255,000 children experience a Franklin Institute Traveling Science Show, an outreach initiative that sends

45 minute-long interactive science presentations to school auditoria and community centers from as far as Northern Connecticut to Southern Virginia. The combined impact of these programs, as well as additional initiatives and services, makes The Franklin Institute one of the most important and far-reaching educational resources not just in the Commonwealth of Pennsylvania, but also in the tri-state region and throughout the Nation.

Friends of Independence National Historic Park - The President's House

Grant size: \$100,000

The City of Philadelphia and the National Park Service are working in partnership to tell a story of national importance in an honest, inspiring and informative way. From 1790 to 1800 Presidents George Washington and John Adams lived and worked in a mansion-The President's House-that stood a block north of Independence Hall. In this house, the first two presidents crafted the role of Chief Executive of the United States. The profoundly disturbing documented truth of this house is that nine enslaved Africans (kept by George Washington not Adams) also lived and worked there. This practice occurred during an era when the country's founders were declaring "all men are created equal". Grant funds support the new structure commemorating the President's House allowing 24-hour access to the site with state-of-the-art studio and interactive visual technology to tell a series of compelling stories of life in the President's House. These stories will honor and preserve the lives of the nine enslaved Africans who resided in the President's House. There will also be a place of solemn reflection in the area that is thought to be where enslaved persons slept, right at the entrance to the Liberty Bell Pavilion. These interpretative and preservative features are intertwined with the "bricks and mortar" construction of the memorial.

Mt. Airy USA

Grant size: \$200,000 - \$100,000 paid in 2008

Funds will support the centerpiece of Mt. Airy USA's work for the next three years - the delivery of the Mt. Airy Transit Village - a six-acre mixed-income, mixed-use transit oriented development in East Mt. Airy. To achieve this important objective, without shortchanging its ongoing community development programming, the Mt. Airy USA strategic plan identified the need to grow its real estate development and asset management capacity, strengthen external communications, raise private equity, add administrative support and improve financial management. Support will allow a full-service communications firm to lead a branding campaign including messaging, an enhanced marketing package, newsletters, brochures and annual report, website enhancements, and style management of all external communications. This work will enable Mt. Airy USA to more effectively share its vision and attract donors and investors.

The National Constitution Center

Grant size: \$1,000,000 - \$250,000 paid in 2008

The National Constitution Center will significantly enhance educational programming and build capacity for Family Theater programming. The National Constitution Center created the Young Citizens Class Visit Scholarship program to ensure that underserved students and their teachers would have access to the interactive exhibits, teacher training and civic education that the Center offers. Support of the scholarship funds all trip activities for a visit to the Center including transportation. The National Constitution Center features a 60-seat multimedia presentation space called the Family Theater. This space is used for educational productions that appeal to school groups and families. The programming in the Center's Family Theater engages the hearts and minds of students principally in grades 7-12 with current constitutional issues. A collateral

benefit of the performances and group discussions is a broader understanding of the importance of tolerance.

Pennsylvania Academy of the Fine Arts

Grant size: \$40,000

The grant supports educational outreach, access and programming in connection with the Academy's upcoming special exhibition, Reverberations: Modern and Contemporary Art from the Bank of America Collection. The Bank of America Collection is widely considered to be one of the world's finest corporate collections of art. The exhibition will draw from this collection to feature approximately 80 works including paintings, works on paper, and sculptures by artists such as Milton Avery, Roger Brown, Ellsworth Kelly and many more. Reverberations will provide the Academy with an opportunity to introduce a great number of students, families, adults and school groups to these works through Educational Outreach Programs. The Academy Visit Program brings students from local Philadelphia public schools to tour galleries and view work from the permanent collection and rotating special exhibitions.

Pennsylvania Horticultural Society

Grant size: \$50,000

Bank of America's grant supports the Youth Environmental Stewardship Program. The YES program was created to help youth build a strong relationship with the natural environment and ensure the future of open spaces by training the next generation to care for their communities. In practice, the program offers a six-week immersion program that provides empowerment and leadership training and fosters a connection of youth to nature that has relevance to their personal health. This program, a partnership between PHS's Philadelphia Green program, the Philadelphia Department of Recreation, and the Fairmount Park Commission, provides approximately 50 at-risk adolescents in Philadelphia with a six-week summer employment and service learning opportunity at eight neighborhood recreation centers and neighborhood parks which engage youth in meaningful environmental stewardship activities.

Philadelphia Academies, Inc.

Grant size: \$200,000 - \$100,000 paid in 2008

Bank of America's grant to Philadelphia Academies, Inc. will support three programs: The Industry Pipeline Initiative (IPI) was designed to prepare students for specific workforce needs in the regional economy. PAI undertakes a comprehensive approach focusing intensively on the developmental needs of students while addressing the workforce needs of specific industry partners. The Internship and Leadership Program is designed for PAI students to participate in internship and leadership opportunities as part of a developmental continuum. The internship is a practicum and extension of what is emphasized throughout the year in programming. The 21st Century Skills Project is a new initiative to lead the implementation and demonstration of a "whole school" career education initiative in two public high schools. The project will integrate academic rigor, career-focused curriculum and 21st Century skills and coordinate with the School District's high school reform plans.

The Philadelphia Children First Fund

Grant size: \$75,000

At the same time the School District of Philadelphia has embarked on a process to modernize classrooms with interactive digital resources, the District has begun a multi-year project to create smaller high-performing college-preparatory public high schools with increased learning options. Research shows that small high school models can help us think differently about curriculum, assessment, core standards and can contribute much to the renewal of the teaching profession. With funding support through Bank of America, the District implemented the Digital Classroom Model in a cohort of these small high schools. Research also supports the inclusion of interactive whiteboards in secondary classrooms as a benefit to students in providing an environment where they are able to cope with more complex concepts as a result of clearer, more efficient and more dynamic presentation. The outstanding visual resources help teachers to present lessons in lively and engaging ways and facilitate explanations of models.

Philadelphia Mural Arts Advocates**Grant size: \$100,000**

This grant will strengthen MAP's existing infrastructure in order to better serve the many children and individuals affected by its programs. General operating support will allow MAP to work with over 100 communities this year to co-create murals that serve the needs of the neighborhood--stabilizing abandoned lots, revitalizing open spaces, and inspiring civic pride. Bank of America's support will allow MAP to continue delivering its award-winning programming in community mural-making, art education, social services, and public engagement.

Please Touch Museum**Grant size: \$50,000**

The funds support the museum's free admission program for Philadelphia school students in pre-school through 1st grade classrooms. Please Touch Museum believes that young children learn best when they are given the opportunity to be active, social, motivated, reflective and emotionally involved. The museum provides an informal learning environment filled with interesting and stimulating experiences that are appropriate to how children--with their parents, teachers and caregivers--learn. Exhibits and programs, both inside and outside the museum, are designed to make play and exploration the basis of learning in the arts, sciences and humanities. As a first museum experience for young children, they seek to lay the foundation for a lifetime of learning and cultural awareness. Please Touch strives to ensure that all children, regardless of economic background, have equal access to the fun and learning that make a visit to the museum so special.

Project H.O.M.E.**Grant Size: \$50,000 paid in 2008**

Bank of America's commitment of \$200,000 to Project H.O.M.E will support the establishment of an Internet Café at the Free Library of Philadelphia. At the core of Project H.O.M.E.'s mission is a desire to provide opportunities for employment, particularly for homeless or formerly homeless individuals. Project H.O.M.E. will provide staffing for the café through its Occupational Services Program (OSP), a vital component of Project H.O.M.E.'s Continuum of Care, which assists residents in breaking the cycle of homelessness and poverty through the provision of employment and educational opportunities. The café will also provide opportunities to the teen residents of the target community that would likely not otherwise be available to them. In this way they will ensure that at-risk teens are afforded the opportunity to develop the

skills and experience which will improve their self-esteem and help prepare them for the transition to the post-secondary and work worlds so that they may break the cycle of poverty that has devastated their community.

The Reinvestment Fund

Grant size: \$200,000

General operating support will enable TRF to implement PolicyMap - a national online data and mapping tool that offers more than 4,000 indicators related to demographics, real estate markets, crime, health, schools, housing affordability, employment, energy, and public investments. Most of PolicyMap's data and features are available for free to all users, while proprietary datasets and special functionality, such as demographic projections and the ability to create custom regions and legend breakpoints, available only to paid subscribers. Using PolicyMap, institutions and policymakers can quickly understand neighborhoods in which they are making investments, evaluate neighborhoods for potential investments and see how neighborhoods have changed over time. A strong understanding of the different factors impacting a place is critical to their ability to make smart, well-informed decisions as well as build the needed consensus.

United Way of Southeastern Pennsylvania

Grant size: \$50,000

This grant supports the Community Impact Fund to prepare children and youth to succeed in school and in life, build financial independence and stability for families, keep seniors healthy and safe at home, and reinforce the social fabric of the community. United Way has identified the following long-term goals for in the Agenda for Community Solutions: 1) Preparing Children & Youth to Succeed in School and in Life; 2) Building Financial Stability and Independence for Families; 3) Keeping Seniors Healthy and Safe at Home; and 4) Reinforcing the Social Fabric of the Community.

Bank of America
Philadelphia Long Term Strategic Plan
As Required by City Ordinance (Bill No. 060015)
June, 2009

Bank of America is pleased to respond to the Annual Lending Study commissioned by the City of Philadelphia Examining the Lending Practices of Depository Banks.

Background: “Each city depository shall certify compliance with Section 19-201 of the Philadelphia Code and provide the City with a long-term strategic plan to address disparities in its lending and investment activities.”

CORPOARTE VALUES & VISION STATEMENT

Community Development: Bank of America’s commitment to community development recently earned an “Outstanding” rating from the Office of the Comptroller of the Currency (OCC) who monitors and evaluates the Bank’s compliance with the Community Reinvestment Act. The rating period examined was 2004 - 2006 and the CRA Performance Evaluation Public Disclosure was issued in April, 2008. The state of Pennsylvania was also rated Outstanding in the Performance Evaluation. Bank of America has earned six consecutive Outstanding CRA ratings.

Bank of America achieves CRA goals through a variety of community development initiatives including flexible and innovative mortgage, small business and consumer loan products; investments in Low-Income Housing, Historic and New Markets Tax Credits; Community Development Financial Institutions (CDFIs); Contributions to nonprofits; qualified Real Estate and Commercial Community Development Loans; and a variety of Community Development Services including volunteer efforts in the community through delivery of financial literacy education and participation on nonprofit Boards. We provide the financial resources and expertise to help communities achieve their full potential as desirable places for people to live, work and raise families.

Our mission is to offer lending and investment products that:

- Serve low- and moderate-income (LMI) individuals and families;
- Improve underserved low- and moderate-income communities;
- Create sustainable practices for the long haul.

\$1.5 Trillion Community Development National Goal: Our recently announced Community Development Lending and Investment goal - \$1.5 trillion over 10 years is our most ambitious yet, and the largest community development goal ever established by an American financial institution.

Embraced by all of the major businesses within Bank of America, the goal focuses on four key areas:

- Affordable housing. Safe, comfortable housing is a critical need in communities everywhere, and Bank of America is making it a reality for low- and moderate-income and minority individuals and families across the country.
- Small business and small farm ownership. Small businesses are the economic engines of our local communities, and Bank of America loans and investments are helping small businesses contribute to economic revitalization across the nation.
- Consumer loans. Reliable access to consumer credit is vital to strong communities and to the economic well-being of those who live there. We provide a full range of consumer financial services for low- and moderate-income individuals and families.
- Economic development. Creating meaningful, long-term partnerships is key to revitalizing neighborhoods in rural and urban low-income areas and elsewhere. We partner with nonprofits, community developers and others to promote neighborhood revitalization through loans, grants and direct investments.

LENDING RESULTS

We have responded below to the results of the Econsult/MFR Study and provided context around Bank of America's forward lending strategy in Philadelphia. The Bank had good performance during 2007 in all areas exceeding the majority of its stated goals to the City. We increased residential mortgage and home improvement and consumer lending to LMI borrowers and in LMI census tracts. Small Business Lending overall results decreased from 3,207 loans in 2006 to 2,728 in 2007 reflecting a slowing economy. Small Business lending LMI census tract results were 1,540 in 2007 and 1,800 in 2006.

Although our goal for Community Development Loans and Investments was lower by # of investments, the total invested was \$48.9 million, substantially higher than 2006 results of \$7 million. The Bank has also has increased the number of banking centers in LMI and minority areas.

HOME PURCHASE & REFINANCE LENDING

Econsult/MFR Study Comment: Bank of America (BAC) was ranked 2nd of the City depositories in home purchase lending based on thirteen factors including loans originated to minorities, denial ratios, loans to LMI borrowers and loans in LMI census tracts and in minority census tracts. "BAC significantly increased applications and loans reflecting expansion efforts and met or exceeded citywide averages for all minority groups, LMI borrowers and LMI census tracts in 2007."

BAC originated 781 "prime" home purchase loans with 63% to LMI borrowers and 69% in LMI census tracts exceeding the citywide averages. The Study also noted 178 "prime" refinance loans with 56 % to LMI borrowers and 58% in LMI census tracts. BAC met or exceeded citywide averages in the percentage of loans to minorities, LMI borrowers and in LMI census tracts. The Study points out that BAC ranked at the bottom of Banks with a .90 Hispanic denial ratio; however, this means that Hispanics are still denied at a lower rate than whites as parity for a denial ratio is 1.00.

Response: BAC shows strong home purchase and home refinance lending performance for LMI borrowers and LMI census tracts in 2007 in the City of Philadelphia. 2007 was our third year of originating mortgage loans with a retail mortgage sales team established in the City following the acquisition of Fleet Bank in 2004. (Note: Our HMDA records indicate BAC originated 1,495 home purchase and refinance loans and the Study indicates 959 due to excluded data in the Study methodology.)

Strategy: BAC has implemented the following overall strategy to reach low- to moderate-income homebuyers.

1. Mortgage products include low down payment and competitive interest rates.
2. The bank continues to utilize a full service retail mortgage sales team with emphasis on reaching LMI borrowers.
3. The Bank also takes mortgage applications in its banking centers. Several competitors do not offer this service.
4. The Bank has instituted direct partnerships with homebuyer education providers (community based organizations and community development corporations) in order to generate mortgage ready applicants.
5. The Bank participates in and sponsors homebuyer fairs in the City in an effort to reach more LMI borrowers.
6. The Bank aggressively markets its products to minorities and women through diverse marketing materials.
7. Bank of America does not discriminate on the basis of race or any other prohibited factor outlined in the Equal Credit Opportunity Act.

HOME IMPROVEMENT LOANS

Econsult/MFR Study Comment: An overall ranking of the Banks for home improvement lending was not presented in the Study. Econsult/MFR commented that BAC had 55 “prime” loan originations and ranked first in percent of loans to Hispanic borrowers and the comparison between the percentage of loans to Africa-Americans relative to white borrowers. BAC met or exceeded citywide averages for all minority groups, LMI borrowers and LMI census tracts in 2007.

Response: BAC showed strong LMI census tract home improvement lending in the Study of 72%, a 10% increase over 2006. The percentage of loans in Minority census tracts was 64% and the percentage of loans to LMI borrowers was 63%. (Note: Our HMDA records indicate BAC originated 179 home improvement loans and the Study indicates 55 due to excluded data in the Study methodology.)

Strategy: Unlike mortgage lending, where business is generated primarily by the retail mortgage sales team and the banking centers, home improvement loans are dependent on the banking centers to generate volume. In order to increase loan volume, our Banking Center Strategy, as noted by the recent opening in an LMI and high minority area of North Philadelphia, increases home improvement volume.

SMALL BUSINESS LENDING

Econsult/MFR Study Comment: BAC ranked 3rd out of nine banks overall in small business lending (market share of loans compared to citywide average, market share of loans to businesses with revenues less than \$1MM, market share of loans in LMI census tracts, ranking of individual bank performance among depository banks of loans to small businesses in LMI census tracts and to business with less than \$1MM in revenues).

Response: BAC extended 2,728 small business loans in Philadelphia County in 2007 with 1,540 in LMI census tracts. We will continue our strategy of providing as many quality loans as possible to small businesses in Philadelphia.

Strategy: Bank of America Small Business Lending Strategy includes:

- Preferred SBA lender;
- Credit amounts as low as \$10,000 on business loans and \$1,000 on business credit cards;
- The largest investor in CDFIs among US financial institutions;
- In 2008, the #1 SBA 504 lender nationwide in loan volume.

Bank of America has a comprehensive suite of products to help small businesses save money and time as well as provide security, such as:

- Checking options for any size of small business: Employers of larger small businesses can use Business Advantage to have access to features such as Online Business Suite; start-ups and smaller businesses can use Business Fundamentals for basic checking (free with monthly debit card purchases).
- Account Management: Multiple accounts in one place with one I.D.; delegated access to trusted employee, CPA, etc.
- Direct Payments: Eliminate paper checks; choose payment delivery time; schedule next day payments; wires with same day transfer service available in June 2008 (discounted for Direct Deposit customers).
- Online Payments: Make one time and recurring payments to credit cards, lines, and loans. Use Bill Pay to send electronic payments and receive electronic bills.
- Transfer Funds: Transfer between BAC accounts and non-BAC accounts.
- Express Invoicing: Custom invoices sent electronically to customers; automate current, paid, and past due invoices; eliminate check holds with online payments
- Merchant Card Processing: Next day access to funds; real time access to payment and credit card reporting; integrate with most accounting software; free terminal with rebate.
- Easy Online Payroll provides instant calculations of state, local, and voluntary withholdings; 100% accuracy guaranteed; direct deposit to employee accounts; 21 different pay types; professional printing of checks from a PC.
- Small Business Online Community is a Bank of America sponsored website which enables small business owners to communicate/network with other small business owners, as well as plug into expert advice with Live Events.
- Add It Up provides the ability to earn cash back on purchases made with Business Debit at select vendors online and in stores.

Small Business Grants to Increase Access to Loan Capital:

- Greater Hispanic Chamber of Commerce - Bank of America provided a \$50,000 technical assistance grant to the Greater Philadelphia Hispanic Chamber of Commerce (GPHCC) to provide access to capital to Philadelphia's entrepreneurs and small businesses. With the help of Bank of America, the Chamber was able to identify the Cooperative Business Assistance Corporation (CBAC), a CDFI with proven strategies aimed at making capital accessible to small businesses in South Jersey. CBAC is partnering with the U.S. Small Business Administration, Bank of America and the Greater Philadelphia Hispanic Chamber of Commerce by expanding its services into the Philadelphia area. Initial funding with SBA has been arranged, and the new venture will have a lender and administrative services staff specifically dedicated to Philadelphia who, with the support of the entire Cooperative Business team, will provide small business loans to Philadelphia businesses as well as post-loan closing technical assistance. Loans are already being provided to Philadelphia businesses through this effort. CBAC has applied to BAC and other investors for loan capital to re-lend to small businesses in Philadelphia.
- The Enterprise Center - A significant \$200,000 operating grant and leadership training were provided to The Enterprise Center in 2007-08 in West Philadelphia which provides access to capital and building capacity, business education and economic development opportunities to high-potential minority entrepreneurs. Through their portfolio of business acceleration initiatives, The Enterprise Center seeks to better position minority enterprises to compete in the local, regional, and global economies. Bank of America's funding strengthened TECs efforts to increase the success of minority entrepreneurs through three specific projects: leadership identification, diversity training, and improved external advocacy. Bank of America's funding provided core support for the implementation of this strategy to increase TEC's ability to serve the minority business community.

BRANCHING ANALYSIS

Econsult/MFR Study Comment: The Study incorrectly reported 16 Bank of America banking centers in Philadelphia County. As of 12/31/07, our records indicate 20 banking centers with 3 in low-income census tracts; 7 in moderate (50% - LMI) and 2 in high minority census tracts (10% - > than 50% minority population).

Response: BAC's performance improved over the prior study opening 4 new banking centers. BAC opened the Temple Banking Center at 1600 North Broad Street in December of 2006 which is located in both a low-income census tract and a substantially minority (98.5% minority population) census tract.

Strategy: BAC has developed an ongoing Banking Center Strategy for growth in the Philadelphia market which includes a review of commercial districts and neighborhoods and increases the number of banking centers in low- and moderate-income census tracts.

BENCHMARKING AND PERFORMANCE MONITORING

1. Our goal is to achieve an Outstanding CRA rating nationally. In April, 2008 we received our sixth consecutive Outstanding CRA rating from the OCC on the period examined – 2004 to 2006. The rated area of eastern Pennsylvania was Outstanding as well.
2. We prepare quarterly internal CRA performance assessments of our HMDA and Small Business Lending which mirror an OCC CRA exam assessment. This monitoring system provides us with identification of good performance and any performance gaps that need to be addressed.
3. CRA Performance Assessments are reviewed by local leadership teams including the Philadelphia Market President and by the CRA Governance Council at the highest Management levels in the Company. Tactics are implemented to address performance gaps.
4. The OCC performs a periodic CRA examination of the Bank. We just completed the 2007- Q1 2009 CRA performance cycle. A CRA examination of the Bank is underway with results made public in 2010.

KEY STRENGTHS/WEAKNESSES & THREATS/OPPORTUNITIES

Our strengths are in a variety of community development initiatives including flexible and innovative mortgage, small business and consumer loan products. A diverse credit profile for small businesses: start ups, expanding businesses, and mature, stable businesses – enables us to approve marginally higher risk customers as part of overall lending strategy.

We are the industry leader in Low-Income Housing, Historic and New Markets Tax Credits investments and in program related investments to Community Development Financial Institutions (CDFIs).

In Philadelphia we have been increasing the number of banking centers (21 as of 2008) as compared to other large banks: Citizens (61), PNC (41) and Wachovia (47) which can impact particularly consumer (home improvement) and small business loan volume compared to banks with more locations.

We have the opportunity to expand in LMI areas as evidenced by the opening of our Temple location on North Broad Street located in an LMI and high minority census tract. The Temple location provided support for the operation of the banking center with recent retail development that is surrounded by residential developments. We are exploring further opportunities to build out our distribution of banking centers and ATMs.

Submitted by:

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Corporate Social Responsibility
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