

## **COMMUNITY REINVESTMENT GOALS**

*(Financial institution's annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-*

### **2. GOALS –**

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

TD Bank is dedicated to supporting the programs, organizations and people that contribute to the economic vitality, well-being and social equity of our communities. Making a positive impact on the communities where our customers and employees live and work – and inspiring others to join our efforts – is a critical element of the TD Bank philosophy. We believe that creating a socially responsible framework for our activities and working in concert with our neighborhoods, partners and governmental officials, enhances our collective ability to make a difference. TD Bank reinvests in its local communities through its loan, investment, charitable giving and employee volunteer programs.

TD Bank establishes annual goals for consumer, small business and community development loans and investments in the City of Philadelphia. TD Bank considers a variety of factors in setting goals including: economic conditions, interest rate environment, availability and cost of housing, and other market factors and conditions which may impact loan demand or credit quality. TD Bank also considers the opportunity for loan and investment referrals from community-based partners in the City of Philadelphia.

#### **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.**

<b>Type</b>	<b>2008 Goals</b>	<b>2008 Results</b>	<b>2009 Goals</b>
Small Business Loans and Lines	<b>200</b>	<b>92</b>	<b>100</b>
Home Mortgages	<b>250</b>	<b>379</b>	<b>254</b>
Home Improvement Loans	<b>150</b>	<b>111</b>	<b>75</b>
Community Development Investments	<b>\$1 million</b>	<b>\$11.9 million</b>	<b>\$1 million</b>

**If applicable, explain why 2008 results did not meet the stated goal or other significant comments related to the 2008 or 2009 goals.**

In 2008, the economy continued its downward spiral, deteriorating significantly. Many factors contributed to a decline in consumer and small business confidence and loan demand including: an increase in mortgage foreclosures, a slow down in new housing construction, the secondary market credit crisis caused by subprime lending losses, declining residential property values, and an increase in consumer costs such as energy and food.

Despite this environment, TD Bank continued to show strong residential mortgage loan volumes in 2008: 653 residential mortgage and home improvement loans totaling over \$88 million, 490 totaling \$63 million were in low- to moderate-income neighborhoods, and 7 community development loans totaling \$2.7 million.

The overall economic downturn had a significant impact on small business lending due to a slowdown in demand and a tightening of credit standards. Most small business loans and lines are unsecured or secured by non-real estate assets and require a stronger financial performance from the borrower during a weakening economy. Small business loans secured by real estate were also negatively impacted as property values declined.

Lending volumes in 2009 are expected to continue to be affected by the adverse economic and market conditions described above.

TD Bank is sensitive to the need for increased mortgage and small business financing, and will be working to increase volumes in low- to moderate-income areas.

- 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*

<b>Type</b>	<b>Low</b>	<b>Mod</b>	<b>Mid</b>	<b>Upp</b>	<b>Total</b>
Residential Mortgage	119	260	70	19	468
Home Improvement	46	65	63	11	185
Small Business Loans	31	61	42	46	180
Community Development	7	N/A	N/A	N/A	7
Consumer Loans	N/A	N/A	N/A	N/A	N/A
<b>Total:</b>	203	386	175	76	840

*Value of Loans (\$000's)*

<b>Type</b>	<b>Low</b>	<b>Mod</b>	<b>Mid</b>	<b>Upp</b>	<b>Total</b>
Residential Mortgage	18,551	38,253	13,151	6,347	76,302
Home Improvement	3,125	3,746	3,111	1,916	11,898
Small Business Loans	7,610	10,817	7,538	7,864	33,829
Community Development	2,723	N/A	N/A	N/A	2,723
Consumer Loans	N/A	N/A	N/A	N/A	N/A
<b>Total:</b>	32,009	52,816	23,800	16,127	124,752

- 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.**

A breakdown of TD Bank's investments in Philadelphia (or a broader statewide or regional area including Philadelphia) for 2008 is as follows:

1. 39 grants and sponsorships to non-profits and social service agencies in support of affordable housing, financial literacy, economic development, human services, healthcare, small business development and other community programs, initiatives and activities \$ 399,973
2. 4 low-income housing tax credit investments for the purchase, development and/or renovation of multi-family affordable rental housing in the City of Philadelphia. \$14,367,157
3. 2 investment renewals in The Reinvestment Fund (TRF) for predevelopment, acquisition, construction and permanent financing for affordable housing and economic development projects. \$ 100,000
4. 2 Small Business Investment Company ("SBIC") investments to provide capital to small businesses \$ 3,032,000

## **Federal - Community Reinvestment Act Rating**

**Rating for the Year 2008:**

<b>Satisfactory</b>
---------------------