

Third Federal Savings and Loan Association of Cleveland March 2023 Quarterly Update

Lending

Third Federal continues to offer low down payment, reduced rate LMI products in Ohio and Florida assessment area communities. Through our consistent training and communication with our loan administrators and outreach with community partners, our HomeReady and Fixer Upper products continue to benefit LMI communities and borrowers.

Below are the numbers and percentages of Third Federal's origination and purchased loans in each Assessment Area that were in LMI tracts or to LMI borrowers, respectively.

2022		Low Income		Moderate Income		Total
Assessment Area		#	%	#	%	#
Cleveland	Tracts	174	2.60%	588	8.77%	762
	BRs	520	7.76%	1272	18.97%	1792
Akron	Tracts	30	1.98%	133	8.77%	163
	BRs	114	7.51%	229	15.10%	343
Ohio - All AAs	Tracts	204	4.58%	1574	16.60%	1778
	BRs	634	15.27%	1501	34.07%	2135
		Low Income		Moderate Income		Total
Assessment Area		#	%	#	%	#
Fort Myers	Tracts	1	0.18%	51	9.01%	52
	BRs	39	6.89%	89	15.72%	128
Fort Lauderdale	Tracts	11	1.44%	103	13.50%	114
	BRs	49	6.42%	79	10.35%	128
Naples	Tracts	2	0.62%	40	12.31%	42
	BRs	25	7.69%	58	17.85%	83
Sarasota	Tracts	0	0.00%	42	11.08%	42
	BRs	37	9.76%	57	15.04%	94
Tampa	Tracts	9	0.54%	221	13.27%	230
	BRs	123	7.39%	241	14.47%	364
West Palm Beach	Tracts	8	0.81%	127	12.89%	135
	BRs	60	6.09%	117	11.88%	177
Florida - All AAs	Tracts	31	3.59%	584	72.06%	615
	BRs	333	44.24%	641	85.31%	974

- The HomeReady refinance product continues to be available with only 5% equity, enabling LMI residents to break away from higher cost mortgages and refinance into a more affordable product.
- The HomeReady purchase product remains available with a down payment as low as 3%.
- All first time homebuyers receive a coupon for up to \$750 off closing costs; non-first time homebuyer graduates of our HomeToday financial literacy program receive a closing cost coupon up to \$600.

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- Third Federal HomeReady offers below market rates on our 15- and 30- year fixed rate products, enabling affordable payments for eligible borrowers.
- Homebuyers who fall within the low- or moderate-income guidelines or who reside in a low- or moderate-income census tract may qualify for a Third Federal HomeReady product or Fixer Upper Home Repair Loan. Q1 2022 vs. Q1 2023 there was a 171% increase in Fixer Upper applications. Our HomeReady LMI Condo product in Florida continues to be available for borrowers who live in a condo, reside in a LMI census tract or fall within the LMI income guidelines.
- Third Federal added the ability for customers to initiate a HomeReady application via their websites Community Development landing page. Customers seeking a loan may input their contact information via an online form and a licensed loan associate will contact them to complete an application. Customers can also apply by calling our Customer Care number or visiting a local branch. In Q1 2023, TF is in the process of implementing the capability for customers to fully apply online for their HomeReady Loan.
- Third Federal launched the Fixer Upper Home Repair Loan; a small dollar loan for homeowners that reside in LMI census tracts or meet LMI income guidelines in need of making minor home repairs. The product features a one year draw period and a 20 year repayment period with a low fixed rate for the life of the loan. The minimum loan amount is \$1,000 and the maximum loan amount is \$9,900. This Community product was added to the TF online application system, www.thirdfederal.com. Current year compared to Q1 2022 we closed 68 loans, and in Q1 2023 we closed 143 loans which represents a 110% increase in originations.
- TF continues to increase its marketing efforts for the Forgivable Down Payment Assistance program in order to bring more awareness to potential borrowers and applicants. Additional efforts include updating marketing materials, including billboards, flyers, and post cards, and direct marketing through Third Federal loan associates. Q1 2023 these marketing efforts continue. This program continues to be available through community housing partners in Florida and Northeast Ohio assessment areas, and increases borrowers' access to credit and successfully lowers their monthly payment burden.

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The table below illustrates the total Forgivable Down Payment assistance amounts Third Federal successfully funded in Q1 2023.

Forgivable Down Payment 2023 Amounts

Assessment Areas	Q1 2023 FDPA Totals
Akron	\$20,000
Cleveland	\$40,000
Fort Lauderdale	\$20,000
Tampa	\$30,000
Palm Beach	\$0
Grand Total	\$110,000

- In Q1 2023, Third Federal has approved a \$500,000 Equity Equivalent Investment for Western Reserve Community Fund in Akron, Ohio. TF is working toward approval of 2 additional equity equivalent investments in their Florida Assessment areas, Palm Beach County Black Business Investment Corporation (PBCBBIC) and Urban League of Broward County-DBA Central County Community Development Corporation (CCCDC).

Ohio and Florida Investments

- Third Federal continues to expand the Trailside community in the Slavic Village neighborhood with an additional 5 homes to be completed in 2023.
- Third Federal Foundation granted Cleveland Central Catholic High School \$300,000 to continue the Stefanski Service Scholarship program and support general operating needs. This is the second installment of a five-year, \$1.5 million commitment to the school which resides in the Slavic Village neighborhood of Cleveland and serves majority low-income students.
- Third Federal Foundation also made a \$400,000 multi-year commitment to University Settlement, located in the Slavic Village neighborhood of Cleveland. The commitment will be paid over 2 years with the first \$200,000 paid in Q1 of 2023. This general operating grant supports the programming and outreach that University Settlement does in Slavic Village. On an annual basis, they serve 1 out of every 2 residents in the neighborhood, the majority of which are living in poverty and require support for basic needs.
- Q1 2023, Third Federal Foundation made its 2nd installment of \$175,000 on its 3 year pledge to Neighborhood Renaissance, a nonprofit community-based housing developer. This funding will establish and support the development and preservation of affordable housing efforts for low- and moderate-income households and individuals in Palm Beach County. This fund will also allow the organization to have capital on-hand to pursue property when it becomes available, helping them compete in a very tough housing market.
- TF Foundation continued their ongoing annual support to the Legal Aid Society of Cleveland with a gift of \$50,000 in Q1 2023. Legal Aid's leadership in Cleveland's new Right to Counsel Program is a main driver of the Foundation's support. Through this program, tenants with at least one child and living at or below the poverty line receive access to free legal representation when facing eviction. This new initiative is proving to be effective – in the first year, Legal Aid was able to prevent eviction in 91% of cases.

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- The Third Federal Foundation granted \$75,000 to CHN Housing Partners to support their affordable housing and community development programs. CHN annually services 50,000 families through programs such as real estate development and affordable homeownership, energy conservation and weatherization, housing safety-nets and income support, counseling, education, and home lending.
- Third Federal continues to partner with HUD certified counseling agencies in providing financial literacy and home buying webinars. These workshops are offered in all of our assessment areas, both in person and via Zoom.
- Third Federal increased their contribution to the AAA Florida Scholarship Foundation. Through this gift, K-12 scholarships will be distributed to at-risk children in several counties across the state. This year's annual contribution will increase to \$750,000 and will be paid quarterly.
- Total charitable giving and Home Today funds by Third Federal and the Third Federal Foundation:

Assessment Area	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Akron	\$47,518			
Cleveland	\$2,510,783			
Fort Lauderdale	\$0			
Fort Myers	\$0			
Naples	\$0			
Sarasota	\$0			
Tampa	\$5,423			
West Palm Beach	\$175,000			
Grand Total	\$2,738,724			

Q1 2023 includes multi-year pledges and grants from TF Foundation.