

Third Federal Savings and Loan Association of Cleveland

June 2023 Quarterly Update(revised 9/19/23)

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 is the 2022 HMDA Data and percentages of Third Federal's origination and purchased loans in each Assessment Area that were in LMI tracts or to LMI borrowers, respectively.

	FY 2022 TF Originated and Purchased Loans vs 2022 Agg Mkt Originated and Purchased Loans						
	Low Income Tracts			Moderate Income Tracts			Peer Total
	FY 2022 TF Origs & Purchs		2022 Agg Mkt Low %	FY 2022 TF Origs & Purchs		2022 Agg Mkt Mod %	
	#	%		#	%		
Akron	30	1.94%	4.66%	137	8.88%	16.71%	1543
Cleveland	181	2.67%	4.48%	601	8.85%	14.12%	6791
	Low Income Tracts			Moderate Income Tracts			Peer Total
	FY 2022 TF Origs & Purchs		2022 Agg Mkt Low %	FY 2022 TF Origs & Purchs		2022 Agg Mkt Mod %	
	#	%		#	%		
	#	%		#	%		#
Fort Myers	1	0.18%	0.92%	51	8.98%	18.16%	568
Fort Lauderdale	12	1.55%	2.10%	112	14.47%	24.65%	774
Naples	2	0.62%	1.09%	40	12.31%	18.48%	325
West Palm Beach	9	0.91%	2.75%	127	12.87%	22.29%	987
Sarasota	0	0.00%	0.49%	42	11.05%	14.88%	380
Tampa	9	0.54%	1.77%	221	13.26%	22.26%	1667

	FY 2022 TF Originated and Purchased Loans vs 2022 Agg Mkt Originated and Purchased Loans						
	Low Income Borrowers			Moderate Income Borrowers			Peer Total
	FY 2022 TF Origs & Purchs		% TF / AggMkt	FY 2022 TF Origs & Purchs		% TF/ AggMkt	
	#	%		#	%		
Akron	114	7.51%	75.3%	229	15.10%	71.0%	1517
Cleveland	520	7.76%	74.1%	1272	18.97%	89.4%	6705
	Low Income Borrowers			Moderate Income Borrowers			Peer Total
	FY 2022 TF Origs & Purchs		% TF / AggMkt	FY 2022 TF Origs & Purchs		% TF/ AggMkt	
	#	%		#	%		
	#	%		#	%		#
Fort Myers	39	6.89%	133.3%	89	15.72%	97.9%	566
Fort Lauderdale	49	6.42%	138.4%	79	10.35%	97.2%	763
Naples	25	7.69%	163.6%	58	17.85%	149.4%	325
West Palm Beach	60	6.09%	106.3%	117	11.88%	89.1%	985
Sarasota	37	9.76%	155.2%	57	15.04%	99.5%	379
Tampa	123	7.39%	122.1%	241	14.47%	95.9%	1665

- 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 in this current rate environment.
- The HomeReady purchase product remains available with a down payment as low as 3% and at below market rates including our 15- and 30- year terms.

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- 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.
- Homebuyers who fall within low- or moderate income guidelines or reside in a low- or moderate income census tract may qualify for Third Federal's HomeReady product. In late 2021 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. Q2 2022 vs. Q2 2023 there was a 144% increase in Fixer Upper applications and a nice 200% increase in originations. This demonstrates that the Fixer Upper product is meeting the needs of the LMI communities. Additionally, the eligibility geography for the Fixer Upper Home Repair Loan has been expanded to include MMCTs- Majority Minority Census Tracts in Ohio and Florida.
- Our HomeReady LMI Condo product in Florida continues to be available for borrowers who reside in a LMI census tract or fall within the LMI income guidelines.
- Third Federal most recently added the ability for customers to fully apply online at thirdfederal.com for all of their community lending products through the Community Development landing page. Customers can also apply by calling our Customer Care number or visiting a local branch.
- TF enhanced their DPA programs by allowing qualified eligible borrowers to combine HAL-Home At Last and FDPA-Forgivable Down Payment Assistance down payment programs. Borrowers can now be eligible for \$13,000 in DPA making homeownership even more affordable.
- The maximum sales price was increased from \$300,000 to \$400,000 for our down payment assistance programs in all AA's.
- TF continues to increase its marketing efforts for our Home At Last and Forgivable Down Payment Assistance programs in order to bring more awareness to potential borrowers and applicants. Additional efforts include updating marketing materials with QR Codes, including billboards, flyers, post cards, and direct marketing through Third Federal loan associates. All of TF down payment assistance programs and lending products continue to be marketed through community housing partners in Florida and Northeast Ohio assessment areas which increases borrowers' awareness and their access to credit.

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

Forgivable DPA 2023

Assessment Areas	Q1 2023 FDPA Totals	Q2 2023 FDPA Totals
Akron	\$20,000	\$0
Cleveland	\$40,000	\$40,000
Fort Lauderdale	\$20,000	\$30,000
Tampa	\$30,000	\$80,000
Palm Beach	\$0	\$0
Grand Total	\$110,000	\$150,000

- In Q1 2023, Third Federal approved a \$500,000 Equity Equivalent Investment for Western Reserve Community Fund in Akron, Ohio, which closed in Q2 2023.
- Additionally, TF has approved 2 additional equity equivalent investments with CDFI's in Florida, The Urban League of Broward County CDFI Central County Community Development Corp. (CCCCDC) in the amount of \$250,000 and The Palm Beach County Black Business Investment Corp (PBCBBIC) in the amount of \$500,000; These EQ2's are expected to close in Q3 2023.

Ohio and Florida Investments

- Third Federal continues to expand the Trailside community in the Slavic Village neighborhood with an additional 5 homes in phase VII to be completed in 2023, for a total of 35 homes in the development.
- TF closed on a \$1.28 million Mortgage Backed Security in Belle Glade (Palm Beach County) Florida. Belle Glade is one of the most impoverished communities in Palm Beach County. This multifamily unit building will provide safe, clean and affordable low income housing.
- In June 2023, to celebrate the 85th Anniversary of Third Federal Savings & Loan and to honor the Cleveland neighborhood where it was founded, Third Federal Foundation formed a resident-driven Anniversary Grant Committee to give a special \$85,000 grant to a local nonprofit working to improve the quality of life in Slavic Village. The committee, serving on behalf of the Third Federal Foundation, awarded the \$85,000 grant to College Now Greater Cleveland. The award will enable the organization to bring its innovative career exploration program Xplore to 40 high school students who reside and/or attend school in Slavic Village. An additional \$10,000 grant was given to the runner up which was Southeast Cleveland Resource Center, a new resident-founded and resident-led resource center in the Slavic Village neighborhood of Cleveland.

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- A grant in the amount of \$100,000 was awarded to Cleveland Neighborhood Progress (CNP) to support their overall strategic initiatives. CNP is a leader in the equitable revitalization of neighborhoods in Cleveland. The organization is playing a key role in building the capacity of neighborhood-based community development corporations (CDCs) and working with the state of Ohio to bring affordable housing and real estate development to the neighborhoods that have seen the most disinvestment. CNP's subsidiary, New Village Corporation, plays a critical role in offering development and lending expertise and has brought more than \$150 million in new development to the City of Cleveland including affordable housing and grocery stores in neighborhoods with food deserts.
- A \$50,000 grant to Lutheran Metropolitan Ministries (LMM) for workforce development programming. LMM is one of the most significant service providers to Cleveland's most vulnerable populations. They focus on the areas of housing and shelter, guardianship services, workforce development and youth resiliency, serving more than 4,000 annually. This grant supports workforce development training to individuals with significant barriers to employment including adults who have been unsuccessful in traditional education settings, those experiencing homelessness, and incarcerated or formerly incarcerated individuals. The grant will specifically support the Building for Change (B4C) program which is a new, comprehensive training program that will provide vocational training in the construction and maintenance trades. The training will include basic understanding of plumbing, electrical, drywall, painting and HVAC systems.
- 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	\$49,546		
Cleveland	\$2,510,783	\$1,028,156		
Fort Lauderdale	\$0	\$0		
Fort Myers	\$0	\$0		
Naples	\$0	\$0		
Sarasota	\$0	\$0		
Tampa	\$5,423	\$42,383		
West Palm Beach	\$175,000	\$0		
*Florida	\$0	\$10,000		
Grand Total	\$2,738,724	\$1,130,085		

Q2 2023 includes multi-year pledges and grants from TF Foundation including \$10,000 to the *Florida Community Loan Fund which services LMI residents and businesses in the State of Florida.