

Third Federal Savings and Loan Association of Cleveland September 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 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%
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.

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

- 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.
- In an effort to increase, lending in our AA's in June 2023 TF enhanced the eligibility requirements for the Fixer Upper Home Repair product to include Majority Minority Census Tracts (MMCT's). Additionally, the HomeReady product was also enhanced to add MMCT's to the eligibility requirements and went into effect October 3, 2023. Q3 2022 vs. Q3 2023 there was a 60% increase in Fixer Upper applications and 76% increase in originations. This low dollar loan product continues to demonstrate that the Fixer Upper product is meeting the needs of the LMI and MMCT communities.
- Our HomeReady LMI Condo product in Florida continues to be available for borrowers who reside in a LMI census tract, fall within the LMI income guidelines or live in a MMCT-Majority Minority Census Tract.
- With the added ability for customers to apply fully online at thirdfederal.com for all of their community lending products through their Community Development landing page, has made our community products even more readily available. Customers can also apply by calling our Customer Care number or visiting a local branch.
- TF enhanced their DPA programs by allowing 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, if borrowers meet certain educational and geographical requirements. With the addition of expanded qualifying geography of Majority Minority Census Tracts (MMCTs) TF can reach additional borrowers in NEO and Florida.
- TF additionally launched a Saving Match DPA Program of \$7,500 for eligible borrowers looking to purchase in an MMCT in the Cleveland Elyria MSA as long as they save \$1,000 of their own funds. These funds are to be used for DPA and Closing Costs.
- The maximum sales price increased from \$300,000 to \$400,000 for our HomeReady Product and down payment assistance programs in all AA's. The max loan amount was also increased from \$250,000 to \$300,000 for the HomeReady product and 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.

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

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	Q3 2023 FDPA Totals
Akron	\$20,000	\$0	\$30,000
Cleveland	\$40,000	\$40,000	\$190,000
Fort Lauderdale	\$20,000	\$30,000	\$0
Tampa	\$30,000	\$80,000	\$130,000
West Palm	\$0	\$0	\$30,000
Broward	\$0	\$0	\$20,000
Grand Total	\$110,000	\$150,000	\$400,000

- 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. (CCCDC) 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 Q4 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.

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

This quarter, the Foundation focused its grant making primarily in our Florida market contributing a total of \$510,000 in grants to nonprofit partners. The grants were directed towards affordable housing initiatives, financial literacy programs and counseling programs to prepare low-to-moderate income individuals and families for homeownership. Below are some grant highlights:

- **Fort Lauderdale AA:** The Foundation made a grant of \$65,000 to Hispanic Unity of Florida (HUF) to support their ongoing work in Broward County as well as the VITA program specifically. The VITA program is one of the most successful anti-poverty programs in the United States. HUF has successfully participated in the VITA program for more than 21 years and has coordinated Broward Tax Pro (formerly the Broward VITA Coalition) for the past 14 years. This program offers free tax preparation services to individuals with low- to moderate-income, persons with disabilities, the elderly, and limited English speakers. In addition to saving money on tax preparation fees and accessing various tax credits – VITA clients have access to financial education and counseling to help them maximize their tax refund.
- **Tampa AA:** The Foundation continued to invest in nonprofit housing development partners who focus on creating new affordable housing and helping low-to-moderate income individuals and families prepare to buy a home. A \$100,000 contribution was made to Tampa Bay Neighborhood Housing Services to continue to build and rehabilitate affordable housing in the Tampa Bay area as well as provide homebuyer counseling services. A \$100,000 grant was also awarded to Neighborhood Home Solutions in St. Petersburg to continue developing single-family residential homes in low-and-moderate income neighborhoods.

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	\$24,912	
Cleveland	\$2,510,783	\$1,028,156	\$442,838	
Fort Lauderdale	\$0	\$0	\$185,000	
Fort Myers	\$0	\$0	\$10,000	
Naples	\$0	\$0	\$20,000	
Sarasota	\$0	\$0	\$10,000	
Tampa	\$5,423	\$42,383	\$292,980	
West Palm Beach	\$175,000	\$0	\$20,000	
*Florida	\$0	\$10,000	\$0	
Grand Total	\$2,738,724	\$1,130,085	\$1,005,730	