

Third Federal Savings and Loan Association of Cleveland

Q1 2024 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			
	FY 2022 TF Origs & Purchs		% TF / AggMkt	FY 2022 TF Origs & Purchs		% TF/ AggMkt	Peer Total
	#	%		#	%		
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.
- In our continued efforts to increase lending in our AA's our enhanced eligibility requirements for the Fixer Upper Home Repair product and our HomeReady Purchase and Refinance product to include Majority Minority Census Tracts (MMCT's) has shown to be on par. In our Q1 2023 vs. Q1 2024 there was a slight increase in our overall community lending. Our Fixer Upper continues to demonstrate that this product is meeting the needs of the LMI and MMCT communities.
- TF created a new Special Purpose Credit Program called the Home Repair Debt Reduction Program in Q1 2024. This will bridge the gap for some borrowers, where DTI is the only factor in the denial, TF has developed the Home Repair Debt Reduction (HRDR) program. This second look program provides up to \$7500 per borrower to pay off liabilities, if it will result in the approval of a Fixer Upper Home Repair loan. Third Federal will not market this program to borrowers, as the eligibility will only be determined after the initial underwriting of the application for a Fixer Upper loan results in a denial.
- With the added ability for customers to apply fully online at thirdfederal.com for all of TF community lending products since its launch, we have 442 Fixer Upper online application. This continues to make our community products readily available. Customers may also apply by calling our Customer Care number or visiting a local branch.
- With our enhanced DPA programs Home At Last, FDPA-Forgivable Down Payment Assistance and Savings Match down payment programs, borrowers may now be eligible for \$20,500 in DPA making homeownership even more affordable in the Cleveland-Elyria MSA and Majority Minority Census Tracts (MMCT's) as long as borrowers meets certain educational and geographical requirements. In our other Assessment Areas, borrowers may be eligible for up to \$13,000 in Down Payment Assistance.
- The maximum sales price increased to \$400,000 for our HomeReady Product and down payment assistance programs in all AA's. The max loan amount was also increased to \$300,000 for the HomeReady product and down payment assistance programs in all AA's.
- Our Marketing efforts continue to focus on our community products in order to bring more awareness to potential applicants. Additional efforts include updating marketing materials with QR Codes, including, flyers, post cards, yard signage 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 tables below illustrates Q1 2024 Forgivable Down Payment Assistance and Savings Match DPA investments.

Forgivable DPA 2024

Assessment Areas	Q1 2024 FDPA Totals
Akron	\$0
Cleveland	\$170,000
Fort Lauderdale	\$20,000
Tampa	\$50,000
West Palm	\$10,000
Grand Total	\$250,000

Savings Match Down Payment Assistance Program

Savings Match Cleveland-Elyria MSA
Q1 - \$180,000

Ohio and Florida Investments

- Third Federal continues to expand the Trailside community in the Slavic Village neighborhood. Phase VII is currently under construction. Once complete the phase is complete, the Slavic Village community will have 40 single-family home homes.

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The Third Federal Foundation made a total of \$1,745,000 in CRA-eligible grants in Q1 of 2024. The Foundation remains focused on investing in nonprofits who are working to strengthen the conditions for successful homeownership, namely through affordable housing, financial stability, community revitalization and education.

Some grant highlights from this quarter include:

Cleveland-Elyria Assessment Area:

Cleveland, OH – The Foundation has continued to invest in Enterprise Community Partners, a nonprofit dedicated to increasing housing supply and to making homeownership and financial stability possible for individuals and families. We have a long history of partnering with their Earned Income Tax Coalition (EITC) which provides free tax preparation support to low income individuals.

This year, in addition to the EITC work, we supported an innovative program called **Make it Home Cleveland**. Through Make It Home, Enterprise and their partners will create opportunities for occupants living in foreclosed rental properties to purchase the property and become homeowners. Make It Home will help promote housing security of residents at risk of eviction, increase the homeownership rates amongst Black and BIPOC households, provide a wealth generating opportunity for those participants in the program, and prevent foreclosed properties from having a negative outcome. Third Federal Foundation funding is supporting twenty-five of the renter-occupied, foreclosed homes identified for outreach and potential inclusion in the Broadway-Slavic Village neighborhood of Cleveland.

Ft. Lauderdale/West Palm Beach Assessment Area:

West Palm Beach, FL – The Foundation made a \$25,000 grant to Consolidated Credit to support their collaboration with the West Palm Beach Housing Authority and the **Moving to Work Asset Building Program**. The pilot program aims to promote financial wellness and economic mobility among 25 selected individuals/families over a 12-month period of time through helping them increase income, establish banking products, build and improve credit, and increase savings. The foundation is supporting an innovative aspect of this program, which is an unrestricted savings match that participants will receive monthly.

Total CRA Eligible investments by Third Federal and the Third Federal Foundation:

Assessment Area	Q1 2024
Akron	\$36,537
Cleveland	\$1,872,932
Fort Lauderdale	\$3,000
Fort Myers	\$0
Naples	\$0
Sarasota	\$0
Tampa	\$14,564
West Palm Beach	\$178,000
Grand Total	\$2,105,033