

Northwest Buffalo Niagara Community Benefits Agreement

Introduction

This Northwest Buffalo Niagara Community Benefits Agreement (“Agreement”) builds on the community focus of Northwest Bank (“Northwest”) and the Buffalo Niagara Community Reinvestment Coalition (“BNCRC”) and the collective commitment to improve credit accessibility, financial awareness and responsibility, as well as the acceptance and inclusion of the many diverse cultures represented within the Buffalo-Niagara Region over the next five (5) years.

Plan Governance

Northwest and the BNCRC agree communication, collaboration and accountability are essential for any successful partnership. As a result, we will meet on a quarterly basis to have meaningful dialogue to further solidify our partnership in order to monitor and discuss progress, coordinate community development, and to discuss strategies and insights on how Northwest and the BNCRC can best develop a successful partnership. Northwest CEO and/or other members of our executive leadership team, in addition to any regional staff, will be present at each meeting.

Staffing: Community Development Staffing

Northwest and the BNCRC will work together to establish staffing for purposes of this Agreement.

- In a manner consistent with its hiring practices and policies, Northwest will seek to employ two (2) Community Development Officers (CDO) for the Buffalo-Niagara MSA and will locate these staff members in the Buffalo-Niagara MSA under regional management administration. Northwest will strive to select candidates that address the diverse requirements for being successful in this market and the BNCRC agrees to forward qualified candidates to Northwest for consideration.
- Northwest and the BNCRC will work together to develop a local community reinvestment structure that strengthens an already fully dedicated approach to community banking at Northwest.
- The CDOs will support Northwest’s efforts to build relationships and reach the lending and investment goals established within this Agreement.

Language Access

- Northwest will develop and implement a language access plan in the Buffalo-Niagara MSA that includes attempts to hire qualified staff fluent in languages spoken in the MSA and utilizing Voiance language service or an equivalent service to assist with multi-lingual communication within the MSA. Northwest will also assess the ability to move part-time bi- and multi-lingual staff to full-time positions. Northwest will provide multi-lingual signage indicating how to use the Voiance system or equivalent service and explaining when bi- and multi-lingual staff are available in each impacted branch.
- Northwest and the BNCRC will collaborate to work with local workforce development programs that work directly with refugees and refugee communities to create a workforce development program aimed at developing skilled staff capable of working in the financial services industry. BNCRC members who work in the refugee community will work with Northwest to develop and implement this program. These efforts will help train staff for the financial services industry as well as help Northwest provide dedicated services in the languages needed in neighborhoods across the region.

Lending

Northwest in conjunction with the BNCRC will use their best efforts to attain the following lending goals.

Overall LMI/People of Color Focus Home Purchase Commitment: \$6,000,000 over the next five years within the Buffalo Niagara Region

- **Home Purchase Lending Commitment to LMI Borrowers:**

LMI Borrower Home Purchase Goal	
Avg. Home Purchase Lending Dollar Volume 2014 - 2015	\$ 501,000
Compounded 10% Increase Year 1	\$ 551,100
Compounded 10% Increase Year 2	\$ 606,210
Compounded 10% Increase Year 3	\$ 666,831
Compounded 10% Increase Year 4	\$ 733,514
Compounded 10% Increase Year 5	\$ 806,866
5 Year Total With Compounded 10% Increase	\$ 3,364,521

- **Home Purchase Lending Commitment in LMI Census Tracts:**

LMI Tract Home Purchase Goal	
Avg. Home Purchase Lending Dollar Volume 2014 - 2015	\$ 165,000
Compounded 10% Increase Year 1	\$ 181,500
Compounded 10% Increase Year 2	\$ 199,650
Compounded 10% Increase Year 3	\$ 219,615
Compounded 10% Increase Year 4	\$ 241,577
Compounded 10% Increase Year 5	\$ 265,734
5 Year Total With Compounded 10% Increase	\$ 1,108,076

- **Home Purchase Lending Commitment to People of Color:**

People of Color Home Purchase Goal	
Avg. Home Purchase Lending Dollar Volume 2014 - 2015	\$ 575,000
Compounded 10% Increase Year 1	\$ 632,500
Compounded 10% Increase Year 2	\$ 695,750
Compounded 10% Increase Year 3	\$ 765,325
Compounded 10% Increase Year 4	\$ 841,858
Compounded 10% Increase Year 5	\$ 926,043
5 Year Total With Compounded 10% Increase	\$ 3,861,476

- **Home Purchase Lending Commitment in Tracts that are majority People of Color:**

Majority People of Color Tract Home Purchase Goal	
Avg. Home Purchase Lending Dollar Volume 2014 - 2015	\$ 722,500
Compounded 10% Increase Year 1	\$ 794,750
Compounded 10% Increase Year 2	\$ 874,225
Compounded 10% Increase Year 3	\$ 961,648
Compounded 10% Increase Year 4	\$ 1,057,812
Compounded 10% Increase Year 5	\$ 1,163,593
5 Year Total With Compounded 10% Increase	\$ 4,852,028

Overall LMI/People of Color Focus Home Rehab Lending Commitment: \$2,000,000 over the next five years within the Buffalo Niagara Region

- **Home Rehab Lending Commitment for LMI Borrowers:**

LMI Borrower Home Rehab Goal	
Avg. Home Rehab Lending Dollar Volume 2014 - 2015	\$ 233,500
Compounded 10% Increase Year 1	\$ 256,850
Compounded 10% Increase Year 2	\$ 282,535
Compounded 10% Increase Year 3	\$ 310,789
Compounded 10% Increase Year 4	\$ 341,867
Compounded 10% Increase Year 5	\$ 376,054
5 Year Total With Compounded 10% Increase	\$ 1,568,095

- **Home Rehab Lending Commitment in LMI Census Tracts:**

LMI Tract Home Rehab Goal	
Avg. Home Rehab Lending Dollar Volume 2014 - 2015	\$ 46,500
Compounded 10% Increase Year 1	\$ 51,150
Compounded 10% Increase Year 2	\$ 56,265
Compounded 10% Increase Year 3	\$ 61,892
Compounded 10% Increase Year 4	\$ 68,081
Compounded 10% Increase Year 5	\$ 74,889
5 Year Total With Compounded 10% Increase	\$ 312,276

- **Home Rehab Lending Commitment for People of Color:**

Majority People of Color Census Tract Home Rehab Goal	
Avg. Home Rehab Lending Dollar Volume 2014 - 2015	\$ 9,500
Compounded 10% Increase Year 1	\$ 10,450
Compounded 10% Increase Year 2	\$ 11,495
Compounded 10% Increase Year 3	\$ 12,645
Compounded 10% Increase Year 4	\$ 13,909
Compounded 10% Increase Year 5	\$ 15,300
5 Year Total With Compounded 10% Increase	\$ 63,798

- **Home Rehab Lending Commitment for Census Tracts that are majority People of Color:**

People of Color Home Rehab Goal	
Avg. Home Rehab Dollar Volume 2014 - 2015	\$ 55,000
Compounded 10% Increase Year 1	\$ 60,500
Compounded 10% Increase Year 2	\$ 66,550
Compounded 10% Increase Year 3	\$ 73,205
Compounded 10% Increase Year 4	\$ 80,526
Compounded 10% Increase Year 5	\$ 88,578
5 Year Total With Compounded 10% Increase	\$ 369,359

Overall Small Business Commitment: \$75,477,000 over the next five years within the Buffalo Niagara Region

- **Small Business Lending Commitment for Businesses Loans Under \$1 Million:**

Businesses Under \$1 Mil Small Business Goal	
	In Thousands
Avg. Biz Under \$1 Mil Small Biz Dollar Volume 2014 - 2015	\$ 11,239
Compounded 10% Increase Year 1	\$ 12,363
Compounded 10% Increase Year 2	\$ 13,599
Compounded 10% Increase Year 3	\$ 14,959
Compounded 10% Increase Year 4	\$ 16,455
Compounded 10% Increase Year 5	\$ 18,101
5 Year Total With Compounded 10% Increase	\$ 75,477

- **Small Business Lending Commitment for Businesses Loans in LMI Census Tracts:**

LMI Tract Small Business Goal	
	In Thousands
Avg. LMI Tract Small Biz Dollar Volume 2014 - 2015	\$ 5,473
Compounded 10% Increase Year 1	\$ 6,020
Compounded 10% Increase Year 2	\$ 6,622
Compounded 10% Increase Year 3	\$ 7,284
Compounded 10% Increase Year 4	\$ 8,012
Compounded 10% Increase Year 5	\$ 8,814
5 Year Total With Compounded 10% Increase	\$ 36,751

The above lending goals will be enhanced through the following efforts, goals and activities:

- **Marketing & Outreach:** With BNCRC, Northwest will create an affirmative outreach and marketing plan directed at reaching low- and moderate-income borrowers, borrowers of color, and borrowers with limited English proficiency. The plan will be implemented in the Buffalo-Niagara MSA.
- **Branch Staff Training:** Northwest will work with BNCRC to develop a cultural competency training program for impacted branch staff. New hires in the 18 newly acquired Northwest branches and existing branches in the Buffalo-Niagara MSA will attend the training within the first six months of being hired. Existing branch staff will attend an annual cultural competency training session hosted by the BNCRC.
- **Housing Counseling:** Northwest will expand its support of housing counseling agencies and their home buyer and financial education programs in the Buffalo-Niagara MSA.
- **Product Innovation:** Northwest will work with the BNCRC on legally and regulatory permissible product innovation to meet the needs of low- and moderate-income borrowers, communities of color, and bi- and multi-lingual speakers. More immediate points that will be addressed are below:
 - Northwest will create or modify a mortgage product allowing for lower credit scores and down payment requirements if borrowers go through housing counseling with a mutually approved agency.
 - In the Buffalo-Niagara MSA, Northwest will pilot a minimum loan amount policy to permit smaller mortgages options in areas where home prices are lower such as the eastside of Buffalo.
 - Northwest will work with BNCRC to assess the credit scoring, debt to income, cash flow, and other underwriting requirements for all Northwest's personal loan products to ensure that loan products are accessible to LMI borrowers in the Buffalo-Niagara MSA.
 - Northwest will create an alternative to their Home Equity Loan product with a local CDFI, Buffalo Cooperative Credit Union. The product should target the needs of borrowers with lower income and low equity in their homes and address the lack of weatherization/energy efficiency loans in the Buffalo-Niagara MSA.
 - Northwest will expand small business lending offerings to business owners who wish to make improvements and expand their businesses through issuing small business loans and other appropriate lending products to qualified businesses seeking credit and loans below \$30,000.
- **Referral System:** Northwest will refer individuals who are denied loans to a mutually agreeable designated non-profit partner that can work with the client to improve their financial situation to prepare them to be

homeowners. Northwest will work with BNCRC to develop a referral network of non-profit community based organizations that provide services in underserved communities.

- **Branch Manager:** Northwest branch managers who operate as business loan officers in the Buffalo-Niagara MSA will complete training on small dollar / small business lending as well as cultural competencies. Such branch managers who are assigned to conduct small business lending should be held to the following evaluation standards and commitments:
 - Developing a marketing and outreach strategy for reaching LMI business owners and business owners of color who would benefit from smaller dollar business loans and banking relationships.
 - Reporting to the Buffalo-based Community Development Officer on a monthly basis regarding lending work with LMI business owners and business owners of color.
- **Mortgage Servicing:** Northwest will follow the following guidelines with regard to mortgage servicing.
 - The revised 2016 Consumer Financial Protection Bureau's rules on mortgage loan servicing.
 - Designation of an appropriate individual(s) for third-party borrower advocates to contact when there are issues in the review process.
 - Northwest and the BNCRC will share and present data and information on Northwest's mortgage servicing process with the intent of identifying trends and processes that can assist borrowers.

Community Development Lending and Investment

Overall Community Development Lending and Investment Goal: \$18.3 million over the next five years within the Buffalo Niagara Region

The above community development lending and investment goals will be enhanced through the following efforts, goals and activities:

- Northwest will work with the BNCRC to evaluate and identify community development and investment projects that meet community need and maximize impact on communities of need.

Philanthropy

Overall Philanthropic Goal: \$200,000 of grants over the next five years within the Buffalo-Niagara Region

The above philanthropic goals will be enhanced through the following efforts, goals and activities:

- Northwest will work with the BNCRC to identify community based empowerment programs and services in the Buffalo-Niagara MSA.
- Northwest will support the BNCRC's ability to conduct training, hold community meetings and engage the community in planning processes and hosting community and economic development events. Specifically, Northwest will support the BNCRC's reinvestment summit for community leaders, financial institutions, and anchor institutions in the fall of 2017.
- Northwest will support and work with community based workforce development programs and refugee resettlement agencies to build training programs to support staffing and training commitments outlined in this Agreement.

Services/Basic Banking

- **Depository and Transactional Products**

- With the BNCRC, Northwest will develop a Marketing & Outreach plan that focuses on providing potential LMI customers and customers of color with an option other than check cashers and other commonly thought of predatory services.
- Northwest will introduce a no-cost checking and savings account in the next two months in the Buffalo-Niagara MSA.
- Northwest will develop and implement second chance checking and savings products in the Buffalo-Niagara MSA.
- **Small Dollar Loans**
 - Northwest will work with BNCRC to assess the credit scoring, debt to income, cash flow, and other underwriting requirements for Northwest's small dollar loans products in order to meet the needs of low-income borrowers in the Buffalo-Niagara MSA.
 - Northwest will commit to work with programs like the Western New York Law Center's CLARO program to introduce credit restoration loan products to foster safe and secure borrowing.
- **Branches**
 - Northwest will commit to develop a comprehensive five-year branching and service delivery strategy for the Buffalo-Niagara MSA. The plan will include the addition of a branch in an LMI census tract within the Buffalo Niagara MSA. Northwest will consider additional locations for a bank office and/or ATMs within LMI census tracts in the Buffalo-Niagara MSA based on market opportunities. The plan will be developed with help from the BNCRC and community leaders.

Additional Plan Details

- Northwest will provide guest speakers at community events regarding services for the refugee population and will focus on promoting its services, highlighting bi- and multi-lingual staff, and providing financial education to such individuals.
- **Supplier Diversity**
 - Northwest will work with BNCRC to identify and dedicate resource opportunities to utilize minority and women owned and operated businesses. As part of this process, Northwest will implement a process to track usage of businesses owned by people of color and women owned businesses and share this information with the BNCRC.