

# Financial Institution Disclosure Form

## City of Minneapolis, Minnesota

Financial institutions which participate in or desire to participate in City of Minneapolis programs or the provision of banking services for the city shall compile and furnish to the city finance officer the following information:

- (1) For the City of Minneapolis, by census tract, provide the information required on the mortgage loan disclosure statement pursuant to the Home Mortgage Disclosure Act, 12 U.S. C. Section 2801 et seq. and laws amendatory thereof and supplementary thereto ("HMDA"), for the previous fiscal year.

Please see Attachment A.

- (2) For any Metropolitan Statistical Area in Minnesota within the financial institution's CRA assessment area, provide a copy of the institution's most recent community reinvestment act statement, as required by the Community Reinvestment Act of 1977, pursuant to 12 U.S.C. Section 2901 et seq. and laws and regulations amendatory thereof and supplemental thereto CRA for the previous fiscal year.

### CRA Rating

U.S. Bank National Association is proud to have been awarded an "Outstanding" rating for its commitment to the letter and the spirit of the Community Reinvestment Act (CRA). This is the highest possible rating given by the Office of the Comptroller of the Currency (OCC). The OCC reported that we were "Outstanding" in all CRA categories, giving U.S. Bank National Association an "Outstanding" in lending, investment and service tests. The most recent copy of our "Community Reinvestment Act Evaluation" can be found on our website [www.usbank.com/community/cra-performance-evaluation.html](http://www.usbank.com/community/cra-performance-evaluation.html).

The Minneapolis-St. Paul-Bloomington, MN-WI Multistate MSA is a primary rating area for U.S. Bank. For the MSA U.S. Bank has an overall Outstanding rating for the bank and is rated Outstanding in the lending, investment, and service test. Details on our rating for the Minneapolis MSA can be found on page 22 of our performance evaluation. [www.usbank.com/community/cra-performance-evaluation.html](http://www.usbank.com/community/cra-performance-evaluation.html).

U.S. Bank is currently undergoing its CRA exam for years 2009 through 2011. We expect to have results from the OCC for this exam by the end of 2014.

- (3) For the City of Minneapolis, provide information related to loan modifications and foreclosures on residential mortgages on properties located within the city, which shall include data as of the end of the financial institution's previous fiscal year on the following items.

The following information represents city level data of residential mortgage foreclosure and modification activity for the 2012 calendar year.

**a. Percentage of residential mortgages that are current or missed only one (1) payment ;**

98% of accounts were reported as current to 59 days past due.

**b. Percentage that are seriously delinquent (60+ days late);**

2% of accounts were reported with a delinquency greater than 60 days.

**c. Percentage that are actively engaged to find a workout option;**

Bank records show 55 accounts were still engaged in pursuing workout options at the end of the calendar year.

**d. Number of customers that have completed or started a workout arrangement;**

At the end of the calendar year 1,368 accounts either started pursuing workout options or completed a workout arrangement.

**e. Number of customers that have completed a workout arrangement and the number of workout arrangement that resulted in each of the following outcomes;**

Of the 1,368 accounts reported 1,163 completed a workout arrangement. The following is a breakdown of the workout arrangements completed:

**1. Modification to lower monthly mortgage payments;**

41 accounts reported.

**2. Principal reduction to reduce the mortgage amount owed;**

Zero accounts reported.

While the bank diligently promotes foreclosure prevention programs, investor guidelines do not allow for participation in programs with principle reduction components. However, the Bank continues to work towards analysis of such programs in order to adopt practices in line with investor and portfolio guidelines.

**3. Modification or reduction on the second mortgage;**

Two accounts reported.

**4. Mortgage payments reduced or suspended during period of unemployment;**

Zero accounts reported.

**5. Bankruptcy;**

1,085 accounts reported.

**6. Short sale;**

34 accounts reported.

**7. Deed in lieu of foreclosure.**

One account reported.

**f. Number of the financial institution's real estate-owned ("REO") properties for sale;**

At the end of the calendar year, 67 properties were reported as active Real Estate Owned (REO) properties.

**g. Number of completed foreclosure sales;**

88 properties were identified as a completed foreclosure sale.

**h. Number of the financial institution's REO properties donated or discounted to nonprofits or the city.**

During this period, two Minneapolis City properties were discounted to the National Community Stabilization Trust (NCST) and the Twin Cities Community Land Bank. Statewide, U.S. Bank donated and/or discounted 10 properties to non-profits such as the NCST, Twin Cities Community Land Bank, and Greater Minnesota Housing Fund.

**(4) As of the end of the previous fiscal year, provide information on the locations of banking services located in the City of Minneapolis.**

Please see Attachment B.

**(5) As of the end of the previous fiscal year, for businesses located in the City of Minneapolis, provide information on the number of small business loans including:**

- a. Number and total loan amounts at origination less than or equal to \$100,000;**
- b. Number and total loan amounts at origination greater than \$100,000 but less than or equal to \$250,000 ;**
- c. Number and total loan amounts at origination greater than \$100,000 but less than or equal to \$1,000,000;**
- d. Number and total loans to businesses with gross annual revenues less than or equal to \$1,000,000.**

Please see Attachment C.

- (6) As of the end of the previous fiscal year, provide information regarding the closing of any branch or ATM service located in the City of Minneapolis and an affirmative statement that you are in compliance with Section 42 of the Federal Deposit Insurance Act (12 U.S.C. 1831) when closing any branch, including the 90 day notice period for public comment.**

No U.S. Bank branch locations were closed in the City of Minneapolis in 2013. Our branch closing policy is in compliance with all federal regulations. Per regulation we post branch opening and closing data on our website each year by April 1. Information can be found at [www.usbank.com/ourcommunity](http://www.usbank.com/ourcommunity).

- (7) Provide a Community Reinvestment Plan describing current and proposed initiatives to address the financial needs of the city, its residents and businesses, and include a discussion of the following services, products and areas of activity:**

**(a) Affordable check cashing and other transactional services used by consumers with limited banking accounts or experience;**

- We cash checks drawn on U.S. Bank for a nominal fee for non-account holders; we also handle Western Union transactions both send and receive for customers and non-customers.

**(b) Small consumer loans, including those that serve as an alternative to payday loans;**

- U.S. Bank offers a range of credit products to meet customer needs. Our product suite includes two unsecured credit products that may help customers with small dollar, short-term credit needs. Reserve Line is an unsecured line of credit with credit limits as low as \$300 and an APR of 21.9%. For larger credit needs, we offer an unsecured loan product with credit limits starting at \$3,000 and APRs ranging from 8.99% - 14.99%, depending on loan term, loan amount and risk profiles. Both unsecured products have prudent underwriting guidelines that support safe and sound banking operations and the customer's ability to repay the credit.

**(c) Participation in city sponsored neighborhood development programs;**

- Neighborhood Restoration Fund – To date the program has provided two loans to Minneapolis non-profits \$250,000 each, at 0%, for use in North Minneapolis to purchase, rehab and sell single family homes and revolve the funds. Program has resulted in 32 properties purchased, 14 completed, and 9 sold or refinanced.
- Investment in the African Development Center.
- Investment in the Community Reinvestment Fund – The fund provides financing to businesses in challenged areas.
- Investment and support for Twin City Habitat for Humanity to provide home ownership for low income individuals.
- Latino Economic Development Center – Support the micro lending program for Hispanic Businesses. We are also active supporters of their community

engagement programs and provide sponsorship for the annual meeting as well as an equity investment for the organization.

- Support for LISC – Investment supports gap financing to non-profit developers.
- Metropolitan Entrepreneur Development Agency – Our investment helps the organization to provide business support to minority entrepreneurs. U.S. Bank is a founding member and regular supporter of organization. We also provide grant support and event sponsorship. U.S. Bank leaders serve on board of directors and Richard Davis serves on advisory board.
- Neighborhood Development Center – U.S. Bank’s support provides training and financing to entrepreneurs, many of which are ethnic minorities. The Bank has provided equity investments, loans, grants, sponsorships and employees serve on the board of directors.
- Non-Profit Assistance Fund – U.S Bank’s investment supports loans to non-profits to help them become more successful.
- Urban Homeworks – Our contributions aid in loans to fund home purchase and renovation in North Minneapolis.
- Women Venture – Investment in the organization provides lending opportunities to women owned small businesses. U.S. Bank provides grants, sponsorships and employees to serve on board and on committees.
- Metropolitan Consortium of Community Developers (MCCD) – A \$750,000 loan from U.S. Bank allowed MCCD to provide 71 loans totaling more than \$1.5 million dollars in financing to aspiring entrepreneurs and small business owners that were not able to obtain traditional financing. The funds also provided small credit building loans to 124 individuals, helping them achieve their goals of establishing or improving their personal credit. Grant Support has also helped MCCD provide one-on-one small business technical assistance to entrepreneurs and small business owners, helping them overcome barriers, make good business decisions, and either start or grow their business.

**(d) Efforts to support homeownership education and foreclosure prevention education and counseling;**

- U.S. Bank CRA loan officers teach home buyer education classes to the consumer, offered by various non-profits. The bank also offers realtor education for products that require a borrower to be low-moderate income or purchase a home in a low-moderate census tract neighborhood.

**(e) Equitable contributions to community based non-profit organizations in the city that engage in neighborhood development.**

- U.S. Bank has provided investment in the following programs:
  - Invested \$2 million in the Greater Metropolitan Housing Corp for a revolving loan pool. The organization purchases homes and then rehabs and sells the homes to low income owners. The organization also has a Contract for Deed program for those that will not qualify for traditional lending.
  - Midtown Global Market – Provided \$1.5million for the revitalization of old Sears building into vibrant international market.

- Metropolitan Consortium of Community Developers – Invested \$750,000 in a fund for businesses that do not qualify for traditional bank credit.
- Latino Economic Development Corporation – Provided an investment for a revolving loan fund for Latino owned businesses that do not qualify for traditional bank financing.
- Nonprofits Assistance Fund – Invested \$1 million in a fund to provide financing for non-profits to help them fulfill their mission.
- Project for Pride In Living – Invested \$750,000 for the social service organization to provide job training, social service assistance and housing.

**(f) Provision of full service banking in city neighborhoods, including branches, services and technologies; and**

- Within the city of Minneapolis there are 15 stand-alone branch locations; most with drive-up facilities and all with ATM services. We have one branch located on-site at the Hennepin County Medical Center. In addition, we have 81 branded ATM's in Minneapolis and 24-hour live customer service via phone, web and mobile. 64% of our Minneapolis branches are in designated LMI areas.

**(g) Plans to provide and market loans and investment products that help create loans throughout the city including in low and moderate income neighborhoods and to low and moderate income consumers.**

- As listed in section (c) above, U.S Bank provides a number of community development investments and grants to support loan and asset development programs for low and moderate income neighborhoods and consumers. Our branches offer loan products that carry a SBA guarantee and provide ongoing support through financial education and outreach to assist small business and consumer achieve strong financial capability. Our commitment to the community increases with each year and we look forward to growing the programs we invest in to support the sustainability of our partner's efforts.

**Investment Banks**

**Investment banks shall not be subject to the disclosure requirements above as long as they seek or perform only investment banking business for the City. Banks that provide the City with underwriting services including the buying and selling of stocks, bonds and other securities and other debt related services shall provide the following.**

**A statement of the corporate citizenship which shall include but not be limited to:**

- (a) Participation in charitable programs or scholarships within the City during the year immediately predating the filing**
- (b) Internal policies regarding utilization of subcontractors which are designated as “women owned”, “minority owned”, or “disabled” business enterprises**

**Response to Item (a)**

At U.S. Bank, developing communities means investing in people and their hopes and dreams for the future. By providing products and services that meet the diverse needs of

our communities – such as our innovative mortgage program for first-time home buyers – U.S. Bank is helping to provide a social and economic foundation for achieving affordable housing, productive small businesses, and culturally vibrant communities. Total grants and investments in the greater Minneapolis area in 2013 reached \$124.9 million.

Each year, the U.S. Bank Foundation provides millions of dollars in grants to nonprofit organizations in the focus areas of artistic and cultural enrichment, education and economic opportunity. We collaborate with community partners who understand the needs of individuals, families and organizations, and match our resources with those community needs. Through our collaborations, families can find affordable places to call home, people can gain job skills, youth from diverse backgrounds can achieve in school, and the wealth of the arts can become more accessible to everyone.

U.S. Bancorp also recognizes and appreciates our employees' contributions to our communities. Through the Employee Matching Gift Program and the Dollars for Doing Program, the U.S. Bank Foundation supports employee efforts to improve our communities by matching their contributions of both money and time to nonprofit organizations.

U.S. Bank Corporate Giving and Nonprofit Sponsorship programs are an integral part of our company's philanthropic initiatives. We sponsor arts and cultural events of all sizes from major art and theater festivals to local fairs in order to highlight the diverse range of talents and interests throughout our communities.

We are proud to support human services in our communities by partnering with the United Way. Each year, we support the United Way through an employee giving campaign. We firmly believe that when our communities succeed, we all succeed. That's what community development at U.S. Bank is all about and it's integral to the way we do business.

U.S. Bank is committed to offering an array of credit products to assure that our communities can succeed. Small business lending helps to establish businesses and create jobs and our mortgage lending products stabilize neighborhoods by promoting homeownership. Community development lending helps develop affordable housing, and helps nonprofits and private facilities expand job creation and support services for working families. During 2013, U.S. Bank extended more than \$139.8 million in community development loans throughout the greater Minneapolis area.

#### **Response to Item (b) WMBE Practices**

U.S. Bank is dedicated to an inclusionary procurement bid process, which is demonstrated through our \$283MM total spend with diverse businesses in 2013.

U. S. Bank strongly supports the participation of women and minority owned businesses in our procurement operations. Our Supplier Diversity Program was created in 1998 to help grow and support this initiative and is staffed by full-time employees dedicated to

driving Supplier Diversity internally within the corporation, as well as externally in the communities. We strive to identify business opportunities for certified Minority and Women-Owned Business Enterprises (MWBE) to participate equally with other suppliers in the competitive supplier evaluation process.

We are national corporate members of the NMSDC (National Minority Supplier Development Council) as well as corporate members of WBENC (Women's Business Enterprise National Council) and participate in a number of regional council activities and trade shows throughout the year.

Our tracking process includes the following certified and non-certified diverse suppliers: MBE, WBE, SBE, DBE, VET, SDV/DVBE and LGBT. We work with our prime (Tier 1) suppliers to support the growth of minority and women-owned businesses by requiring the reporting of their subcontracting (Tier 2) utilization of certified minority and women-owned companies on U.S. Bank contracts.