

**From:** "Scott, Michael" <Michael.Scott2@do.treas.gov>  
**Sent:** Monday, September 15, 2008 11:33:38 AM  
**To:** "Ugoletti, Mario" <Mario.Ugoletti@do.treas.gov>  
**Cc:**  
**Subject:** Additional Information Requested on OneUnited Bank's CRA Record

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Mario: Per your request, I am providing you with additional information regarding OneUnited Bank's (OUB) recent CRA record. The information comes from CRA Performance Evaluations dated June 28, 2004 and April 3, 2007, respectively.

**2004 CRA Public Evaluation:** While the institution received a CRA rating of "Low Satisfactory" on an overall basis, OneUnited Bank's CRA rating for Massachusetts was "Needs to Improve" for both the Lending Test and the Investment Test. Under the Lending Test, the report stated that "OUB has done a poor job of meeting the credit needs of its [Boston, MA] assessment area. A review of the 2002 and 2003 HMDA data revealed a total of one loan. There were no reported Community Development Loans (CDL) and any innovative or flexible lending programs were apparently ineffective". For the Massachusetts Investment Test, he report stated that "the level and complexity of investments within the Boston assessment area is less than satisfactory...there were no equity investments or qualified deposits within the assessment area. The low volume of qualified investments within the assessment area is a concern."

In Florida, the institution received a CRA rating of "Substantial Noncompliance" which also represented the subordinate rating for the Lending Test. They were given a "Needs to Improve" rating for the Investment Test". Again, the report highlighted OUB's poor record in meeting the credit needs of its Florida assessment area under the Lending Test and stated that "a review of the 2002 and 2003 HMDA data revealed a total of two loans". Again, OUB made no reported CDLs. The summary analysis for the Investment Test in Florida indicated that "a review of the qualified investments revealed a minimal level of charitable contributions/grants, no equity investments, and one \$150,000 CD entered into a small business loan pool."

**2007 CRA Public Evaluation:** OUB received an overall Satisfactory rating on this CRA evaluation, but continued to have a "Substantial Noncompliance" rating for the state of Florida. The report's summary section on the Lending Test continued to indicate that OUB' overall CRA lending performance was adversely affected by low and substantially low lending volume in Massachusetts and Florida, respectively. Specifically in their Florida assessment area, the institution was rated "Substantial Noncompliance" for the Lending Test and "Needs to Improve" for the Community Development Test. As in the 2004 evaluation, the institution was chided for its overall low volume of lending and the "absence of any particularly noteworthy lending activity in the Florida assessment area." Finally, the report stated that "the bank's community development lending activities are marginally adequate, but investments and services are in need of improvement."

I hope this is helpful. Thanks. Michael.