



## PUBLIC DISCLOSURE

June 14, 2021

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

LendingClub Bank, National Association

**Charter Number: 25228**

2701 N. Thanksgiving Way  
Lehi, UT 84043

Office of the Comptroller of the Currency

25 Jesse Street at Ecker Square, 16th Floor  
San Francisco, CA 94105

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

**Table of Contents**

Overall CRA Rating..... 1  
Description of Institution..... 3  
Scope of the Evaluation..... 4  
Discriminatory or Other Illegal Credit Practices Review..... 6  
State Rating..... 7  
    State of Massachusetts..... 7  
Community Development Test..... 13  
Appendix A: Scope of Examination ..... A-1  
Appendix B: Summary of MMSA and State Ratings..... B-1  
Appendix C: Definitions and Common Abbreviations..... C-1  
Appendix D: Tables of Performance Data..... D-1

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory**

**The community development test is rated: Satisfactory**

The major factors that support this rating include:

- The Lending Test rating is based on performance in its Boston-Cambridge Assessment Area (Boston AA) and specifically on the following performance criteria:
  - Reasonable loan-to-deposit ratio (LTD).
  - A majority of the bank's loans were originated or purchased within the delineated AA.
  - Reasonable geographic distribution of small loans to businesses and home mortgage loans throughout the AA.
  - Reasonable distribution of loans to businesses of different sizes.
- The Community Development (CD) Test rating is based on performance in its Boston AA and specifically on the following performance criteria:
  - CD lending exhibits adequate responsiveness to community development needs.
  - CD investments exhibit excellent responsiveness to community development needs.
  - CD services exhibits adequate responsiveness to community development needs.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is reasonable.

The bank's average quarterly LTD ratio for the 12 quarters ending December 31, 2020, was 92.91 percent. During this period, the bank's LTD ratio ranged from a quarterly low of 83.56 percent to a quarterly high of 124.30 percent. The bank's LTD ratio is comparable to the quarterly average over the same period of four area peer banks. The average quarterly ratio for these banks was 95.74 percent and ranged from a low of 89.71 percent to a high of 107.29 percent.

### Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and purchased 63.8 percent of its loans inside its AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The inside and outside analysis is based on all home mortgage loans originated or purchased during the evaluation period and the randomly selected sample of small loans to businesses originated during this period.

<b>Lending Inside and Outside of the Assessment Area</b>											
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>	
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>			
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>		
Home Mortgage											
2018	67	89.3	8	10.7	75	51,532	92.4	4,225	7.6	55,757	
2019	71	89.9	8	10.1	79	60,801	85.2	10,593	14.8	71,394	
2020	50	94.3	3	5.7	53	44,351	85.6	7,439	14.4	51,790	
<b>Subtotal</b>	<b>188</b>	<b>90.8</b>	<b>19</b>	<b>9.2</b>	<b>207</b>	<b>156,684</b>	<b>87.6</b>	<b>22,258</b>	<b>12.4</b>	<b>178,942</b>	
Small Business											
2018	6	26.1	17	73.9	23	1,522	12.0	11,134	88.0	12,656	
2019	4	18.2	18	81.8	22	463	5.8	7,502	94.2	7,965	
2020	1	1.7	59	98.3	60	21	0.3	6,254	99.7	6,275	
<b>Subtotal</b>	<b>11</b>	<b>10.5</b>	<b>94</b>	<b>89.5</b>	<b>105</b>	<b>2,006</b>	<b>7.5</b>	<b>24,890</b>	<b>92.5</b>	<b>26,896</b>	
<b>Total</b>	<b>199</b>	<b>63.8</b>	<b>113</b>	<b>36.2</b>	<b>312</b>	<b>158,690</b>	<b>77.1</b>	<b>47,148</b>	<b>22.9</b>	<b>205,838</b>	
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>											

A significant majority of its small loans to businesses were granted outside the AA and this proportion is reflective of its nationwide business lending strategy. The bank's strategy to purchase mortgage loans secured by properties in the Boston AA mitigated the low level of small loans to businesses granted in the AA. Overall, there is sufficient lending in the AA to perform geographic analysis. The low inside/outside ratio for small loans to businesses does not negatively impact the geographic distribution analysis.

In 2020, the bank participated heavily in the Paycheck Protection Program (PPP) relief effort. Since the program was designed to provide financial relief to businesses nationwide due to the COVID-19 pandemic, participation in the program aligns with the spirit of CRA and, as such, the location of the business, particularly those outside of a bank's AA will not negatively impact a bank's CRA performance. To assess the impact of PPP lending on the inside/outside ratio, a supplemental sample of 20 non-PPP loans granted in 2020 was selected to replace the PPP loans and these 20 loans were combined with the 45 business loans granted in 2018 and 2019. The alternative ratio reflects 11 loans totaling \$2.0 million, or 16.9 percent and 6.4 percent of the number and dollar amount, respectively, of business loans were granted in the AA. Combined with home mortgage loans, the inside/outside ratio reflects 73.2 percent and 75.5 percent of the number and dollar amount, respectively in the AA.

## Description of Institution

LendingClub Bank, National Association (LCB or Radius Bank or bank) is a marketplace bank headquartered in Lehi, UT. Non-bank and fintech lender, LCB, acquired Radius Bank, a federal chartered stock institution on February 1, 2021, and concurrently Radius converted to a national banking association. The bank was renamed LendingClub Bank, National Association. The bank is wholly owned by LendingClub Corporation which is controlled by institutional shareholders and headquartered in San Francisco, California. Radius Bank operated a single branch and maintained four automated teller machines (ATM) in Boston, Massachusetts, serving the Boston, MA Metropolitan Division (MD) and a portion of the Cambridge-Newton-Framingham MD. LCB will continue to operate the Boston branch and expand its operational footprint to include all of the Cambridge-Newton-Framingham MD and the Provo-Orem, UT Metropolitan Statistical Area (MSA), where its new headquarters is located.

Radius Bank was a full service, intrastate institution, offering a range of traditional personal and business deposit accounts through its branch office and virtual platform. Their website provided a full listing and description of loan services offered. They also offered a variety of account access alternatives through online banking and mobile banking applications. Radius Bank is a member of two nationwide surcharge-free ATM networks for customers.

Radius Bank offered a suite of commercial lending products, various consumer and commercial deposit products, and cash management services. The lending strategies include both local community bank lending and nationally focused lending through various channels. The bank does not originate any residential mortgages other than a limited number of business purpose loans secured by a primary residence. All home mortgage loans are purchased from the secondary market. Commercial lending is comprised of traditional commercial real estate primarily in the Boston, Massachusetts geographic region, Small Business Administration (SBA) lending through their Government Guaranteed Lending (GGL) division covering a nationwide footprint, and equipment finance lending through the Radius Equipment Finance (REF) division, also covering a nationwide footprint. The bank was active in the PPP small business relief effort in 2020 during the pandemic, funding 5,437 PPP loans nationally as of December 31, 2020.

At December 31, 2020, total assets were \$2.4 billion, net loans were \$1.6 billion, and total deposits were \$1.7 billion. Net loans represented 69.0 percent of total assets. Tier 1 capital totaled \$126.8 million. The following table provides a summary of the loan mix.

**Table 1 - Loan Portfolio Summary by Loan Product**  
December 31, 2020

<b>Loan Category</b>	<b>% of Gross Loans and Leases</b>
PPP Loans	32.3
Individual Consumer Loans	21.8
Commercial Real Estate	14.7
Lease Financing	11.6
Total 1-4 Family	10.6
Commercial & Industrial	4.7
Construction	2.7
Multifamily	1.6
<b>Total</b>	<b>100.0</b>

There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of its AA. Radius Bank was rated Satisfactory at the preceding CRA public evaluation dated April 30, 2018.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

For the lending test, the OCC analyzed home mortgage loans and small loans to businesses. The analysis of these products covered the period of January 1, 2018, through December 31, 2020. While there is a significant volume of consumer loans through the yacht lending program, only seven yacht loans were funded in the bank's AA. The analysis of specific loan products was only considered if the product(s) were considered primary loan products in a given AA. Primary loan products are those that have at least 20 loans originated in a particular AA throughout the evaluation period. The OCC also reviewed CD loans, qualified investments, and CD services for the period beginning April 1, 2018, through December 31, 2020.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. During the evaluation period, the bank operated in one AA in Massachusetts. The branch served a

portion of the Boston-Cambridge-Newton MSA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.



## **State Rating**

### **State of Massachusetts: Satisfactory**

#### **CRA rating for the State of Massachusetts: Satisfactory**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Satisfactory**

The bank operated in the State of Massachusetts only during the evaluation period; therefore, the support for the overall CRA ratings is the same as the support for the State ratings. Please see the *Overall CRA Rating* section for more information.

### **Description of Institution's Operations in Massachusetts**

The bank's Boston AA includes all census tracts in Suffolk County, Norfolk County, and Plymouth County in the Boston, MA MD and a portion of Middlesex County in the Cambridge-Newton-Framingham, MA MD. These two MDs are part of the larger Boston-Cambridge Newton, MA-NH MSA. According to the U.S. Census Bureau, the AA has a total estimated population of 3.64 million as of July 1, 2019, an increase of 7.4 percent since the 2010 Census. The estimated AA population grew faster than the population of the state of Massachusetts, which saw a 5.3 percent increase since the 2010 Census.

**Boston AA****Table A - Demographic Information of the Assessment Area**

Assessment Area: Boston-Cambridge-Newton MSA (portion)

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	682	9.2	19.6	35.2	33.4	2.5
Population by Geography	3,155,730	7.7	19.9	36.9	35.1	0.4
Housing Units by Geography	1,280,773	7.2	20.2	38.0	34.3	0.3
Owner-Occupied Units by Geography	698,884	2.5	13.7	40.5	43.1	0.2
Occupied Rental Units by Geography	498,936	13.4	28.7	34.5	22.9	0.5
Vacant Units by Geography	82,953	8.7	23.5	37.6	29.6	0.5
Businesses by Geography	304,568	5.3	14.6	33.9	45.6	0.5
Farms by Geography	4,962	2.1	12.0	40.8	45.0	0.1
Family Distribution by Income Level	735,184	22.6	15.5	18.8	43.1	0.0
Household Distribution by Income Level	1,197,820	25.9	13.9	15.8	44.3	0.0
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Housing Value			\$436,546
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Gross Rent			\$1,343
			Families Below Poverty Level			7.4%

Source: 2015 ACS and 2020 D&B Data  
Due to rounding, totals may not equal 100.0%  
(\*) The NA category consists of geographies that have not been assigned an income classification.

According to the U.S. Census Bureau's 2015 American Community Survey (ACS), 22.6 percent of families in the AA are low-income and 15.5 percent are moderate-income. The 2015 ACS indicates that

28.9 percent of the census tracts in the AA are low- or moderate-income and 24.8 percent of all families in the AA reside in low- or moderate-income census tracts. The percentage of households in the AA living below the poverty level is moderate, representing 11.4 percent, according to the 2015 ACS. Of total households in the AA living below the poverty line, 19.8 percent and 30.2 percent reside in low- income census tracts and moderate-income census tracts, respectively.

**Competition**

As of December 31, 2020, one branch is operated in the AA, and there are no branches in other locations. Based on the Federal Deposit Institution Corporation (FDIC) Deposit Market Share data as of June 30, 2020, deposits totaled \$1.45 billion in the AA. The bank ranked 11 out of 42 financial institutions with 0.53 percent market share in Suffolk County. The three largest banks by deposit market share are State Street Bank and Trust Company, Bank of America, and Citizens Bank, with a combined deposit market share of 82.97 percent. State Street Bank and Trust Company is the only bank of the three that maintains a single depository branch network.

There is significant competition for home mortgage loans in the AA from both nationwide lenders and mortgage companies as there are 622 Home Mortgage Disclosure Act (HMDA) reporting lenders.

According to the 2020 HMDA aggregate data, the top five lenders in the AA were Quicken Loans, Leader Bank, Citizens Bank, Guaranteed Rate Inc., and Wells Fargo Bank with a combined HMDA market share of 21.3 percent. Additionally, there is significant competition for small business loans in the AA from similar competitors. According to the 2019 CRA Small Business Aggregate data, the most recent data available, there are 172 small business loan reporters in the AA. The top three lenders are American Express, Bank of America, and JPMorgan Chase Bank with a combined small business loan market share of 51.3 percent. Since the bank does not originate home mortgage loans, they are not required to publicly report home mortgage loan purchases and as an intermediate small bank, they are not required to publicly report small business lending data. As such, the bank is not included in the abovementioned market share reports.

### **Employment and Economic Factors**

The primary economic drivers of the area are medical services, high technology, and financial centers. According to the Bureau of Labor Statistics, the average annual unemployment rate in the Boston AA was relatively stable in 2018 and 2019 at 2.9 percent and 2.5 percent, respectively. The average annual unemployment rate spiked in 2020 to 8.2 percent with much higher rates of unemployment between April and June due to the COVID-19 pandemic. Per Moody's Analytics 2020 Economic Data, at year-end 2020, while unemployment rates had improved in comparison to the first few months of the pandemic, the Boston economy would make only minimal progress until a vaccine is widely available. According to this analysis, longer term, Boston would be a step ahead of the Northeast due to its dynamic industries and world-class universities. The major employers in the Boston MSA are Partners HealthCare, Beth Israel Deaconess Medical Center, University of Massachusetts, and Stop & Shop Supermarket Company.

### **Housing**

Housing in the AA is expensive. Based on the 2015 ACS, the housing affordability ratio is 4.56, 4.14, 7.13 and 4.88 in Norfolk County, Plymouth County, Suffolk County, and Middlesex County, respectively. The affordability ratios in the AA are all relatively comparable to the state ratio of 4.70, except for Suffolk County, which is higher. All ratios are higher than the national ratio of 3.46. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicates home ownership in the counties of the AA were 68.9 percent in Norfolk County, 76.5 percent in Plymouth County, 36.1 percent in Suffolk County, and 62.4 percent in Middlesex County. The home ownership rate in each of the counties in the AA is comparable or above the state average of 68.4 percent, except for Suffolk County, which is significantly lower. The home ownership rate in each of the counties in the AA is comparable or above the national average of 64.0 percent except for Suffolk County.

Assuming a 30-year mortgage with a 4.0 percent interest rate and 20 percent down payment, but not accounting for homeowners insurance, real estate taxes, or any additional monthly expenses, an individual making 50 percent of the 2019 FFIEC adjusted median family income of any of the counties in the Boston AA could not afford a median priced home in those counties. While the mortgage payment is considered affordable for moderate-income individuals in all counties but Suffolk County,

the inclusion of taxes and insurance plus saving for a 20 percent down payment may limit homeownership opportunities for moderate-income individuals.

Assessment Area	ACS 2015-2019 AMFI	Low Income		Moderate Income		Median Housing Value	
		50% AMFI	Affordable Monthly Mort Pymt *	80% AMFI	Affordable Monthly Mort Pymt *	ACS 2015-2019	Mort Pymt on Median Value
Norfolk County	\$103,291	\$51,646	\$1,291	\$82,633	\$2,066	\$470,800	\$1,798
Plymouth County	\$89,489	\$44,745	\$1,119	\$71,591	\$1,790	\$370,300	\$1,414
Suffolk County	\$69,669	\$34,835	\$871	\$55,735	\$1,393	\$496,500	\$1,896
Middlesex County	\$102,603	\$51,302	\$1,283	\$82,082	\$2,052	\$500,700	\$1,912

\* Affordable mortgage payment is defined as a payment that is less than or equal to 30 percent of an individual's income.

The 2015 ACS reports 54.6 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 39.0 percent and vacant units at 6.4 percent. There are 92,101 housing units in low-income geographies with 19.3 percent of these units being owner-occupied, 72.8 percent of units are renter-occupied, and 7.9 percent are vacant. There are 258,445 housing units in moderate-income geographies with 37.0 percent of these units being owner-occupied, 55.4 percent of units are renter-occupied, and 7.6 percent are vacant. The percentage of owner-occupied housing units in low- and moderate-income (LMI) census tracts is significantly lower than in middle- and upper-income geographies.

### Community Contacts

Three community contacts conducted in the AA were reviewed as part of this performance evaluation. Community contacts included organizations focused on community revitalization, affordable housing creation, affordable housing counseling, and housing-related services. The contacts identified affordable housing, financial literacy and homeownership education, and affordable loan programs as credit needs.

### Scope of Evaluation in Massachusetts

The bank only serves one AA. The bank's CRA rating is based on a full scope review of its performance in the Boston AA.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

### LENDING TEST

The bank's performance under the Lending Test in Massachusetts is rated Satisfactory.

## **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's lending performance in the state of Massachusetts is reasonable. Performance in the Boston AA is reasonable.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of loans in the state.

#### **Home Mortgage Loans**

Refer to Table O in appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of the bank's home mortgage loans within the AA is reasonable. The percentage of mortgage loans in low-income geographies exceeds both the percentage of owner-occupied housing units in the AA and the 2019 and 2020 HMDA aggregates distribution of home mortgage loans in low-income geographies. The bank's results are excellent. The percentage of mortgage loans in moderate-income geographies is well below both the percentage of owner-occupied housing units and the 2019 and 2020 HMDA aggregates distribution of home mortgage loans in moderate-income census tracts. The combined percentage of the bank's loans in LMI geographies is comparable to the combined percentage of owner-occupied housing units in LMI geographies and the HMDA aggregate's lending in LMI geographies.

#### **Small Loans to Businesses**

Refer to Table Q in the state of Massachusetts section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The bank's geographic distribution of small business loans within the AA is reasonable. The percentage of the bank's business loans in low-income geographies is comparable with the percentage of businesses in low-income census tracts and the 2019 Small Business aggregate's lending in low-income tracts. The percentage of the bank's business loans granted in moderate-income geographies is well below both the percentage of businesses in moderate-income census tracts and the 2019 Small Business aggregate's lending in moderate-income tracts.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans by income level of the borrower. Distribution of loans to businesses of different sizes is reasonable, and distribution of mortgage loans to individuals of

different income levels is poor. Commercial and business lending comprises the predominate portion of the bank's lending. As such, the bank's business lending performance carries more weight than home mortgage lending performance.

### **Home Mortgage Loans**

Refer to Table P in the state of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of the bank's home mortgage loans to borrowers of different income levels is poor. The high level and nature of competition, high housing costs, and the bank's strategy of purchasing home mortgage loans instead of competing directly to originate mortgage loans placed the bank at a disadvantage in penetrating LMI borrowers. The percentage of bank's mortgage loans to both low-income and moderate-income borrowers is significantly below the percentages of low- and moderate-income families in the AA and the 2019 and 2020 HMDA aggregates home mortgage lending to LMI borrowers.

To better compete for mortgage loans, the bank worked closely with, and purchased loans from, two banks that partnered with affordable housing organizations to originate loans to LMI borrowers. In 2019, management experienced difficulty sourcing loans to LMI borrowers and their ability to purchase loans granted to LMI borrowers was further impacted by the COVID-19 pandemic in 2020. As a result, lending to LMI borrowers declined significantly from such distributions previously.

The bank operates within a highly competitive home mortgage lending market as reflected by 610 HMDA reporting lenders in 2019 and 622 HMDA reporters in 2020. Competition includes megabanks, large regional banks, and mortgage companies that dominate the mortgage loan market and have streamlined programs and can offer pricing and terms on which smaller banks cannot effectively compete.

Additionally, the lack of affordability limits home ownership opportunity for LMI borrowers in the AA. A major barrier to home ownership for LMI borrowers is saving up for the down payment. Based on median home values in each county of the AA, a 10.0 percent down payment ranges from \$37,000 in Plymouth County to \$50,000 in Middlesex County. To avoid additional mortgage insurance costs, the borrower would need to make a 20.0 percent down payment of between \$74,000 and \$100,000. Assuming a 20.0 percent down payment, the mortgage payment on a median priced home is not affordable for low-income borrowers. The mortgage payment, alone, on a median priced home may be affordable for moderate-income borrowers but after property taxes and insurance, the monthly housing costs may not be affordable. Housing cost is considered affordable if it does not exceed 30.0 percent of an individual's income. Lower down payments result in higher mortgage payments, thereby reducing affordability.

## Small Loans to Businesses

Refer to Table R in the state of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The bank's distribution of small business loans within the AA is reasonable. The bank's percentage of small loans to businesses with gross annual revenue of \$1 million or less is significantly below the percentage of small businesses in the AA. The bank's lending to very small businesses exceeds the 2019 Small Business aggregate's lending to businesses with revenues of \$1 million or less. Given that the bank's business loans are offered on a nationwide scale, the bank's performance is reasonable relative to the aggregate's results. In addition, the bank participated significantly in the PPP business relief effort. While business revenues were not requested or considered under this program, positive consideration is given for the bank's involvement.

## Responses to Complaints

The OCC and the bank have not received any CRA-related complaints since the previous CRA performance evaluation.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Massachusetts is rated Satisfactory.

## Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

## Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
<b>Boston MSA AA</b>	10	100	\$10,937	100

The bank originated an adequate level of CD loans during the review period. The bank originated 10 CD loans totaling \$10.9 million during the review period. Most of the bank's loans support the preservation of affordable housing in the AA. In addition, the bank made several loans supporting community services for LMI individuals and economic development. Examples of the bank's CD loans include:

- \$5.4 million loan for the preservation of eight affordable multifamily properties located in low-income census tracts. The buildings contain a total of 24 housing units that are rented to low-income tenants using Housing Choice Vouchers.
- \$1.27 million loan for the renovation and preservation of a multifamily property located in a low-income census tract. Apartments are rented to low-income tenants using Housing Choice Vouchers.
- \$1 million line of credit to a non-profit organization that provides experiential learning experiences to LMI students.
- \$167,000 loan to an economic development entity that provides financing and investment capital to small businesses.

### Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
<b>Boston MSA AA</b>	6	6,166	38	16,611	44	100	22,777	100	0	0

\* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments mean legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. This table includes all CD investments, including prior period investments that remain outstanding as of the examination date.

The bank has a significant level of qualified investments and grants. The bank's current period investments and donations addressed affordable housing needs as well as community services targeted to LMI individuals. The bank's prior period investments with outstanding balances as of December 31, 2020, demonstrate long-term commitment to CD financing needs. The bank's CD investments consist of multiple bonds and mortgage-backed securities that support affordable housing for LMI individuals located in the AA. In addition, the bank made 19 grants totaling \$51,000 to qualified organizations in support of financial capability programs for the elderly and youth; after-school programs for LMI youth; hunger prevention; and social services for LMI households. Examples of the bank's CD investments include:

- \$10.2 million in investments in five mortgage-backed securities secured by loans to LMI borrowers.



- \$2 million bond purchase to support the development of several affordable multifamily housing units in two communities in Suffolk County, MA.
- \$1 million bond purchase to support the development of affordable multifamily housing in a low-income neighborhood in Boston, MA.
- \$761,000 investment in an affordable multifamily housing loan pool.
- \$600,000 in bond purchases to support affordable single-family mortgages for LMI individuals and households.

### **Extent to Which the Bank Provides Community Development Services**

The bank provides a low level of CD services in its AA. During the evaluation period, four employees provided technical assistance and/or financial expertise to four local organizations focused on after school programs for LMI students; programs for LMI individuals with mental and physical challenges; and financial literacy for low-income seniors. The bank's CD services include:

- A bank employee provided services to an organization that assists low-income seniors with routine financial needs.
- A bank officer served on the board of a non-profit organization that provides accessible and affordable after-school programs for LMI children and teens.
- A bank officer served on the development and finance committees of a non-profit organization that provides experiential education programs for students of Boston Public Schools. The majority of students in the schools are LMI.
- A bank employee served as president of the board of a non-profit organization that provides therapeutic programs for LMI persons with mental or physical challenges.

During the evaluation period, bank employees engaged in several other volunteer activities with non-profit organizations serving the bank's AA. However, those activities did not meet the definition of community development and, as such, did not receive consideration. In addition, there were a number of events scheduled in 2020 that were cancelled due to the COVID-19 pandemic.

# Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2018 to 12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage and small business loans Community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State</b>		
Massachusetts		
Boston-Cambridge-Newton MSA	Full-Scope	Counties of Middlesex (portion), Norfolk, Plymouth, and Suffolk

## Appendix B: Summary of MMSA or State Ratings

---

RATINGS		LendingClub Bank, National Association	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
LendingClub Bank, NA	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Massachusetts (State)	Satisfactory	Satisfactory	Satisfactory

(\* The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

---

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

---

### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.



**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Boston-Cambridge AA	188	156,684	100.0	128,365	2.5	8.0	3.0	13.7	8.0	14.5	40.5	26.1	39.8	43.1	57.4	42.5	0.2	0.5	0.2
<b>Total</b>	<b>188</b>	<b>156,684</b>	<b>100.0</b>	<b>128,365</b>	<b>2.5</b>	<b>8.0</b>	<b>3.0</b>	<b>13.7</b>	<b>8.0</b>	<b>14.5</b>	<b>40.5</b>	<b>26.1</b>	<b>39.8</b>	<b>43.1</b>	<b>57.4</b>	<b>42.5</b>	<b>0.2</b>	<b>0.5</b>	<b>0.2</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Boston-Cambridge AA	188	156,684	100.0	128,365	22.6	1.6	4.0	15.5	7.4	14.9	18.8	3.2	22.1	43.1	76.1	46.1	0.0	11.7	12.9
<b>Total</b>	<b>188</b>	<b>156,684</b>	<b>100.0</b>	<b>128,365</b>	<b>22.6</b>	<b>1.6</b>	<b>4.0</b>	<b>15.5</b>	<b>7.4</b>	<b>14.9</b>	<b>18.8</b>	<b>3.2</b>	<b>22.1</b>	<b>43.1</b>	<b>76.1</b>	<b>46.1</b>	<b>0.0</b>	<b>11.7</b>	<b>12.9</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Boston-Cambridge AA	20	2,613	100.0	95,075	5.3	5.0	5.0	14.6	10.0	15.4	33.9	50.0	37.2	45.6	30.0	41.9	0.5	5.0	0.4
<b>Total</b>	<b>20</b>	<b>2,613</b>	<b>100.0</b>	<b>95,075</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>	<b>14.6</b>	<b>10.0</b>	<b>15.4</b>	<b>33.9</b>	<b>50.0</b>	<b>37.2</b>	<b>45.6</b>	<b>30.0</b>	<b>41.9</b>	<b>0.5</b>	<b>5.0</b>	<b>0.4</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2018-20**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Boston-Cambridge AA	20	2,613	100.0	95,075	86.2	45.0	40.9	5.7	25.0	8.1	30.0
<b>Total</b>	<b>20</b>	<b>2,613</b>	<b>100.0</b>	<b>95,075</b>	<b>86.2</b>	<b>45.0</b>	<b>40.9</b>	<b>5.7</b>	<b>25.0</b>	<b>8.1</b>	<b>30.0</b>

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data "--" data not available.  
 Due to rounding, totals may not equal 100.0%