



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

January 17, 2012

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Third Federal Savings & Loan Association of Cleveland  
Charter Number 704544

7007 Broadway Avenue  
Cleveland, OH 44105-1441

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Cleveland Field Office  
200 Public Square, Suite 1610  
Cleveland, OH 44114-2301

**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.

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## Overall CRA Rating

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

The following table indicates the performance level of **Third Federal Savings & Loan Association of Cleveland** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Third Federal Savings & Loan Association of Cleveland Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\*The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The institution’s overall lending levels reflect a good responsiveness to meeting the credit needs of its assessment areas (AAs).
- The geographic distribution of loans is good.
- The distribution of loans by income level of the borrower is good.
- Given the available opportunities within the bank’s assessment area, the level of qualified investments is good.
- Delivery systems are accessible to all geographies and individuals of different income levels throughout the AAs.
- The level of community development services is good.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated Area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

## Description of Institution

Third Federal Savings & Loan Association of Cleveland (Third Federal) is a wholly-owned subsidiary of TFS Financial Corporation (TFS), a second-tier federally chartered stock holding company. TFS is a wholly owned subsidiary of Third Federal Savings & Loan Association of Cleveland, MHC (MHC). MHC is a top-tier federally chartered mutual holding company. TFS and MHC are both unitary, non-diversified holding companies. TFS owns several active non-thrift entities through its Third Capital, Inc. subsidiary.

Third Federal was founded in 1938 in Cleveland, Ohio, and served that community exclusively for many years. More recently it expanded into other markets in Northeastern Ohio, and in 1999 entered the Florida market (where its operations have steadily grown). Third Federal has not acquired any other financial institutions in recent years.

As of December 31, 2011, Third Federal had \$11.0 billion in assets. Loans represented 91.2 percent of total assets, and one- to four- family mortgage loans represented 99.5 percent of total loans.

Third Federal has 39 branches including 22 branches in Ohio branches and 17 branches in Florida. It also operates eight loan production offices in Columbus, Ohio and Cincinnati, Ohio. The bank primarily originates home mortgage loans, which are funded through retail deposits.

Third Federal has two AAs for CRA purposes in Ohio, and six in Florida. All of the AAs meet the requirements of the regulation, and do not arbitrarily exclude any low- or moderate-income areas. The bank does not have any multi-state MAs or any AAs that are not part of an MA.

As discussed in the Service Test sections of this report, Third Federal does not own automated teller machines (ATMs), but it has an arrangement with a large commercial bank that allows Third Federal customers to use that bank's ATMs. Otherwise, it offers retail banking products and services that are generally consistent with those of its competitors.

Third Federal had \$1.5 billion in Tier 1 Capital as of December 31, 2011, and does not have any subsidiaries or affiliates that affect its CRA.

Third Federal was rated "Satisfactory" at its previous CRA evaluation, which was conducted as of July 1, 2008.

There are no legal, financial, or other factors that impede the bank's ability to help meet the credit needs in its AAs.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This performance evaluation assesses Third Federal's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, we reviewed its home mortgage loans. Because the bank does not offer business or farm loans, these lending categories were not considered as part of this evaluation. We also did not evaluate consumer loans because the bank has a limited product line in that area. The evaluation period for all performance tests is January 1, 2008, through December 31, 2011.

### Data Integrity

The Community Reinvestment Act requires that banks collect and maintain certain data that must be contained in the bank's public file. Therefore, we conducted a data integrity review in conjunction with our most recent regulatory examination, which was performed during December 2011. The data integrity review included testing the bank's HMDA data for 2009 and 2010. Through our review, this data was found to be reliable.

The qualified investments and community development services submitted by Third Federal management were verified, to ensure that they met the regulatory definition of community development. A small number of items submitted for consideration were excluded from this evaluation, because they did not meet this definition.

### Selection of Areas for Full-Scope Review

Full-scope reviews were performed for one AA within each state in which Third Federal has retail offices. We performed full-scope reviews for the Cleveland AA for Ohio, and the Tampa AA for Florida.

### Ratings

The bank's overall rating is a blend of the individual state ratings. Weighting of the rating areas was determined by examining the percentage of bank deposits and deposit market share, percentage of bank loans, and distribution of bank offices among the AAs.

The State of Ohio rating area received the most weight, because 69 percent of the bank's deposits and 56 percent of its offices are located in this area. Furthermore, 83 percent of all of the loans that Third Federal made within its AAs during the review period were secured by properties located within the Ohio AAs.

Refer to the Scope of Evaluation under each State Rating section for details regarding how the areas were weighted in arriving at an overall state rating.

## **Community Contacts**

In drawing conclusions relative to the bank's performance in the full-scope AAs, we took into consideration information derived from members of the community. Refer to the market profiles in appendix C for information regarding community contacts performed.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

Further, section 1025 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) assigns to the CFPB exclusive examination authority, and primary enforcement authority, to ensure compliance by banks and FSAs with Federal consumer financial laws, if the bank or FSA has more than \$10 billion in assets. The CFPB has not provided the OCC with any information about, or other evidence of, discriminatory or other illegal credit practices relative to this institution with respect to the Federal consumer financial laws.

## State Rating - State of Ohio

### CRA Rating for Ohio<sup>1</sup>: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include:

- Third Federal is a market leader in providing home financing.
- Overall lending levels reflect excellent responsiveness to meeting the credit needs of the AAs.
- The geographic distribution of loans is good.
- The distribution of loans by income level of the borrower is good.
- Given the available opportunities within the bank's AA, the level of qualified investments is good.
- Delivery systems are accessible to all geographies and individuals of different income levels throughout the AAs.
- The level of community development services is good.

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<sup>1</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

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

Within Ohio, Third Federal operates within two MAs including the Cleveland-Elyria-Mentor MA and the Akron MA. The majority of the bank's Ohio deposits, loans, and branches are located within the Cleveland-Elyria-Mentor MA.

Refer to the market profiles in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Ohio**

Third Federal's Cleveland AA consists of four counties (Cuyahoga, Lorain, Medina and Lake) that are located within the Cleveland-Elyria-Mentor MA. The AA does not include Geauga County, which is also part of the MA, because the bank does not have any offices in Geauga County. We conducted a full-scope review for the Cleveland AA. In drawing conclusions relative to the bank's performance in the Cleveland AA, we took into consideration information derived from members of the community. Refer to the market profiles in appendix C for information regarding community contacts performed.

Third Federal's Akron AA consists of Summit County, which is part of the Akron MA. The AA does not include Portage County, which is also part of the MA, because the bank does not have any offices in Portage County. We conducted a limited-scope review for the Akron AA.

The ratings for Ohio are based primarily on the results of the Cleveland AA, which received a full-scope review.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Third Federal's performance under the lending test in the State of Ohio is rated High Satisfactory. This performance rating was based home mortgage lending, because the bank does not offer business or farm loans. In addition, the bank's originations of consumer loans are minimal.

### **Lending Activity**

Refer to Ohio Table 1 (Lending Volume) in Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall lending levels reflect an excellent responsiveness to meeting the credit needs of the Cleveland AA. During the most recent year in which aggregate lending data was available (2010), Third Federal ranked first in the origination of HMDA reportable loans in this AA (among lenders that reported loans during that year). Data also shows that Third Federal had a 15.7 percent market share of HMDA reportable loans, while the second ranked lender had a 6.2 percent market share. Third Federal's lending market share is particularly strong when its deposit market share and number of offices are considered. Deposit data compiled by the

FDIC for June 30, 2011, showed that Third Federal had an 11.7 percent market share of deposits in the AA, and its 19 offices/branches only represented 2.8 percent of all of the offices that depository institutions operate in the AA.

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

The overall geographic distribution of loans in the Cleveland AA area is good.

For our evaluation of the bank's lending performance in low-and moderate-income (LMI) geographies, we gave strong consideration to a comparison of the bank's performance to aggregate lending data for 2010, the most recent year for which that data was available.

#### *Home Mortgage Loans*

Refer to Ohio Tables 2, 3, and 4 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

We also considered information in Table A (see below). This table presents data pertaining to the ten largest depository institutions (large bank group) operating in the Cleveland AA, based on their number of offices within the AA. Third Federal is in the large bank group.

Column 1 of Table A shows the number of offices operated by the large bank group and by Third Federal in the AA. Column 2 shows the deposits of those offices, using the June 30, 2011, FDIC deposit data. Column 3 shows the number of single-family home purchase loans made by Third Federal within LMI geographies in the AA during 2010, and also shows the same for the large bank group. Column 4 is similar to column 3, except that it pertains to home refinance loans.

Table A – AA Offices, Deposits, and Number of Loans within LMI Geographies							
1		2		3		4	
Number of Offices		Deposits (in billions)		LMI Home Purchase Loans in 2010		LMI Home Refinance Loans in 2010	
Large Bank Group	Third Federal	Large Bank Group	Third Federal	Large Bank Group	Third Federal	Large Bank Group	Third Federal
571	19	\$43.4	\$5.7	360	50	479	117

#### *Home Purchase Loans*

Ohio Table 2 (Appendix D) shows that Third Federal's percentage of home purchase loans made in low-income geographies exceeds the aggregate lending percentage in low-income geographies. The same table also shows that bank's percentage of home purchase loans made in moderate-income geographies is lower than the aggregate lending percentage in moderate-income geographies.

We also considered the information in Table A, which shows that Third Federal held \$5.7 billion of the \$43.4 billion in deposits at the large bank group, translating to a 13.1 percent

deposit market share. The bank also operated 19 offices, or 3.3 percent of the 571 total offices operated by the large bank group.

Table A also shows that Third Federal made 50 home purchase loans in LMI geographies during 2010, representing 13.9 percent of the 360 home purchase loans made by the large bank group. Therefore, Third Federal's market share of loans in LMI geographies is slightly larger than its market share of deposits, and significantly larger than its share of offices operated by the large bank group.

From these comparisons, we conclude that Third Federal's geographic distribution of home purchase loans in the Cleveland AA is good.

#### *Home Improvement Loans*

Ohio Table 3 (Appendix D) shows that Third Federal's percentage of home improvement loans made in both low- and moderate-income geographies is considerably lower than the aggregate lending percentages in those geographies.

Further analysis, using the most recently available aggregate data, shows that only 313 home improvement loans were made in LMI geographies within the AA during 2010. Lending was dominated by three large financial institutions that made 60 percent of the LMI home improvement loans in the AA. Furthermore, only six institutions made more than ten home improvement loans in LMI geographies within in the AA.

Considering this information, we conclude that Third Federal's geographic distribution of home improvement loans in the Cleveland AA is reasonable.

#### *Home Refinance Loans*

Ohio Table 4 (Appendix D) shows that Third Federal's percentage of home refinance loans made in both low- and moderate-income geographies is lower than, but reasonably comparable to, the aggregate lending percentages in those geographies.

We also considered the data in Table A, which shows that Third Federal made 117 loans in LMI geographies during 2010, representing 24.4 percent of the 479 home refinance loans made by the large bank group. Therefore, Third Federal's market share of loans in LMI geographies is significantly larger than its market share of deposits, and significantly larger than its share of offices operated by the large bank group.

From these comparisons, we conclude that Third Federal's geographic distribution of home refinance loans in the Cleveland AA is good.

#### **Lending Gap Analysis**

Third Federal's lending within the Cleveland AA was evaluated to determine if any unexplained or conspicuous gaps were identified regarding the geographic distribution of the bank's home mortgage loans. Our analysis did not identify any unexplained or conspicuous gaps.

## Inside/Outside Ratio

We performed the inside/outside ratio lending analysis at the bank level. During the review period, a fair majority (58.2 percent) of Third Federal's loans were secured by properties located within its AAs. This percentage is considered reasonable.

## Distribution of Loans by Income Level of the Borrower

The overall distribution of loans based on borrower income in the Cleveland AA is good.

For our evaluation of the bank's lending performance regarding LMI borrowers, we placed strong consideration upon a comparison of Third Federal's performance to the aggregate lending data for 2010, the most recent year for which that data was available.

### *Home Mortgage Loans*

Refer to Ohio Tables 8, 9 and 10 in Appendix D for the facts and data used to evaluate the borrower income distribution of the bank's home mortgage loan originations and purchases.

We also considered information contained in Table B (see below). This table is similar to Table A, except that the LMI category (columns 3 and 4) is based on borrower income.

Table B – AA Offices, Deposits, and Number of Loans to LMI Borrowers							
1		2		3		4	
Number of Offices		Deposits (in billions)		LMI Home Purchase Loans in 2010		LMI Home Refinance Loans in 2010	
Large Bank Group	Third Federal	Large Bank Group	Third Federal	Large Bank Group	Third Federal	Large Bank Group	Third Federal
571	19	\$43.4	\$5.7	1,811	357	3,090	834

### *Home Purchase Loans*

Ohio Table 8 (Appendix D) shows that Third Federal's percentages of home purchase loans made to low- and moderate-income borrowers are lower than the aggregate lending percentages to borrowers of both income categories.

We also considered the information in Table B, which shows that Third Federal made 357 home purchase loans to LMI borrowers during 2010, representing 19.7 percent of the 1,811 home purchase loans made by the large bank group. Therefore, Third Federal's market share of loans to LMI borrowers is much larger than its market share of deposits (13.3 percent), and significantly larger than its share of offices operated by the large bank group (3.3 percent).

From these comparisons, we conclude that Third Federal's distribution of home purchase loans in the Cleveland AA based on borrower income level is good.

### *Home Improvement Loans*

Ohio Table 9 (Appendix D) shows that Third Federal's percentages of home improvement loans made to low- and moderate-income borrowers are lower than the aggregate lending percentages to borrowers of both income categories.

Further analysis, using 2010 aggregate lending data, shows that Third Federal made 5.2 percent of the home improvement loans that the large bank group made to LMI borrowers. However, it only has 3.3 percent of the offices that the large bank group operates in the AA.

From these comparisons, we conclude that Third Federal's distribution of home improvement loans in the Cleveland AA based on borrower income level is reasonable.

### *Home Refinance Loans*

Ohio Table 10 (Appendix D) shows that Third Federal's percentage of home refinance loans made to low- and moderate-income borrowers are lower than the aggregate lending percentages to borrowers of both income categories.

We also considered the information in Table B, which shows that Third Federal made 834 home refinance loans to LMI borrowers during 2010, representing 27.0 percent of the 3,090 home refinance loans made by the large bank group. Therefore, Third Federal's market share of loans to LMI borrowers is much larger than its market share of deposits (13.3 percent), and significantly larger than its share of offices operated by the large bank group (3.3 percent).

From these comparisons, we conclude that Third Federal's distribution of home refinance loans in the Cleveland AA based on borrower income level is good.

## **Community Development Lending**

Third Federal did not make any community development loans during the review period. However, we do not conclude that this negatively impacts the bank's overall lending performance.

## **Product Innovation and Flexibility**

Third Federal offers several innovative and flexible loan programs that are generally designed to help LMI borrowers obtain financing. The programs are described in the following table.

Innovative and Flexible Lending Programs	
Program	Description
CDS Programs	Involves programs for the purchase or refinance of a 1-2 family, owner-occupied home or condominium. The costs are \$600 lower than the standard Third Federal mortgage product. Loan-to-value (LTV) ratios as high as 90 percent are permitted, and private mortgage insurance (PMI) is not required if the down payment is at least 20 percent of the loan amount.
Partnerships in Revitalizing Our Urban Development	Involves two programs for financing newly constructed single-family owner-occupied homes or condominiums. Costs are \$600 lower than Third Federal's standard mortgage products, the LTV can be as high as 95 percent, and PMI is not required with LTVs that do not exceed 90 percent. Homes must be built by a target builder.
Purchase Refinance Rehabilitation (PREFER)	This program was developed by Third Federal for the purchase, refinance, or rehabilitation of a 1-2 family owner-occupied home. PMI is not required if the down payment is greater than 20 percent of the loan amount.
Cleveland Action to Support Housing	This program involves a partnership between the City of Cleveland and other local financial institutions. The program features home improvement and construction loans, with rates that are one percent below the market rate of standard programs. PMI is not required if the down payment is 20% or greater.
Afford-A-Home	This mortgage assistance program is offered through the City of Cleveland's Homeward Program, and provides secondary financing that creates a more affordable monthly mortgage payment. The interest rate is one percent below the bank's standard rate, and closing costs are \$1,000 below the costs for the standard programs. LTVs as high as 90 percent are permitted, and PMI is not required if the down payment is greater than 20 percent of the loan amount.
CDS Expanded Approval	Available to all who complete the HomeToday program. Closing costs are discounted, and qualified applicants are eligible for down payment match assistance.

All loans made under these programs were made in conjunction with the HomeToday program (see Investment Test), and 201 such loans were made during the review period.

We conclude that these programs have enhanced Third Federal's ability to make affordable housing available to the AA residents.

**Conclusions for Area Receiving Limited-Scope Reviews**

As previously noted, Third Federal's only other AA in Ohio is Summit County, which is part of the Akron OH MA.

Based on our limited-scope review, the bank's performance under the lending test in the Akron AA is not inconsistent with the State of Ohio's overall performance.

**INVESTMENT TEST**

**Conclusions for Areas Receiving Full-Scope Reviews**

Third Federal's performance under the investment test in the Cleveland AA is rated High Satisfactory.

Refer to Ohio Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Third Federal investments in the Cleveland AA total \$12.3 million. Of this total, \$10.8 million consisted of grants/contributions to organizations that provide community development services to the residents of the local community, as well as expenditures that funded the HomeToday Program.

The HomeToday program was created by Third Federal, and starts with an educational component that teaches prospective home buyers the principals of home buying, the value of credit, and good money management skills. The program also provides pre- and post-purchase counseling. Through the program, the bank forms partnerships with community development representatives, community social service organizations, and churches. These organizations often refer candidates to the bank. Upon successful completion of the training, the individual/family is given a certificate of completion. The HomeToday program targets those who would otherwise have difficulty obtaining conventional financing. After completing the program, it might be determined that the participant is not yet ready for home ownership because of certain circumstances (poor credit history, minimal savings, excessive debt, etc). In these instances the participants are given enhanced financial literacy counseling designed to help improve their creditworthiness. Those who successfully complete the program are not obligated to obtain financing with Third Federal, but many do so. The bank pays the cost of the program which includes the fee paid to professionals who conduct the HomeToday seminars. During the review period, Third Federal made 201 loans through this program in the Cleveland AA, and 54 percent of the loans were secured by properties within LMI geographies.

Other qualified investments include:

- \$166,900 deposit at a community development financial institution
- \$164,000 in deposits at a credit union that primarily serves LMI residents.
- \$983,000 investment in Trailside at Morgana, a housing development located in a low-income geography that has a great need for development
- \$74,000 in down payment match programs benefiting LMI borrowers
- Donated properties appraised at \$148,000 located within low-income geographies.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Akron AA is weaker than the performance in the Cleveland AA. However, the resources in the Akron AA are not comparable to those of the Cleveland AA. Overall, the weaker performance does not significantly impact the overall service test rating for Ohio.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the service test in the Cleveland AA is rated High Satisfactory.

#### **Retail Banking Services**

Refer to Ohio Table 15 in Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery systems, and branch openings and closings.

The percentage of Third Federal offices within LMI geographies is lower than the percentage of the AA population within those geographies. This difference is mitigated somewhat by the location of the offices located in middle-income geographies, particularly in Cuyahoga County, where most of the LMI population of the AA resides. The bank has eight offices in this county located in middle-income geographies, and all of these offices are located in census tracts with an average MFI that is below the MSA median. Furthermore, three of these offices are located in census tracts with an MFI that is below 90 percent of the average MFI of the MSA. This shows that all eight offices within the AA are located in areas that have a significant population of lower-income residents.

Since the prior evaluation, Third Federal closed two offices in Cuyahoga County (State Road and Broadview Road) and combined the operations of those offices with the newly opened Snow Road office which is located approximately one mile from the closed offices. The Broadview Road office is located in a moderate-income geography, while the State Road and Snow Road offices are located in middle-income geographies. The Snow Road office is located in a census tract which has an average MFI of 90 percent, which is higher than that of the Broadview Road office (76 percent MFI) as well as the State Road office (87 percent MFI). Because all three branches are located in census tracts that had MFIs that were below the MSA MFI, and because of the short distance of the re-location, we concluded that it did not have a material impact on accessibility for LMI residents.

In Lorain County, Third Federal also relocated its Oberlin Office to Avon. The Oberlin Office was located in a small college town, and the bank moved the office to provide better access to the population of Lorain County. The Oberlin Office was located in a middle-income geography, while the Avon Office is located in an upper-income geography. We conclude that this re-location did not adversely impact the accessibility of services to LMI residents of the community.

Each of the bank's offices has identical offices hours and retail services. Third Federal does not own automated teller machines (ATMs), but has made an arrangement with another bank that has approximately 7,500 ATMs nationwide. Through this arrangement, Third Federal customers can make three withdrawals each month from these ATMs without incurring a service fee. Otherwise, the bank's retail services are comparable to those of other financial institutions in the area.

## **Community Development Services**

Third Federal provides a very good level of community development services to the Cleveland AA.

Since the previous evaluation, the bank's managers and associates were involved in a number of community development services within the Cleveland AA. These activities involved 15 employees who were involved with local organizations that provide services to the LMI residents of the AA. Most of the employee participation involved providing technical assistance or financial education, or serving on boards.

In addition to the previously described services, Third Federal developed a Foreclosure Prevention Program since the previous evaluation. Under this program, the bank modifies the terms of notes in order to allow borrowers to continue making payments. The bank modified 462 loans under this program that were secured by properties located within the City of Cleveland, which has experienced a significant foreclosure program over the past several years. 398 loans modified under this program were secured by properties located within LMI geographies in the Cleveland AA.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the service test in the Akron AA is weaker than the performance in the Cleveland AA. However, resources in the Akron AA are not comparable to those in the Cleveland AA. The weaker performance does not significantly impact the overall service test rating for Ohio.

Refer to Ohio Table 15 in Appendix D for the facts and data that support these conclusions.

## State Rating - State of Florida

### State of Florida

#### CRA Rating for Florida<sup>2</sup>: Satisfactory

The lending test is rated: **Low Satisfactory**

The investment test is rated: **Low Satisfactory**

The service test is rated: **Low Satisfactory**

The major factors that support this rating include:

- Overall lending levels reflect an adequate responsiveness to meeting the credit needs of the AAs.
- The geographic distribution of loans is adequate.
- The distribution of loans based on borrower income is adequate.
- The level of qualified investments is adequate.
- Delivery systems are accessible to all geographies and individuals of different income levels throughout the AAs.
- The level of community development services is adequate, considering the limited number of Third Federal personnel employed in the Florida communities.

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<sup>2</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

**Description of Institution’s Operations in Florida**

Within Florida, Third Federal operates within six MAs as shown in the following table:

Florida Assessment Areas			
Assessment Area Name	Counties Within Third Federal’s Assessment Areas	MSA/MD Code	MSA/MD Name
Tampa	Pinellas, Pasco, Hillsboro	45300	Tampa-St. Petersburg-Clearwater MSA
Palm Beach	Palm Beach	48424	West Palm Beach-Boca Raton, Boynton Beach MD
Fort Myers	Lee	15980	Cape Coral-Fort Myers MSA
Sarasota	Sarasota	42260	Sarasota-Bradenton-Venice MSA
Naples	Collier	34940	Naples-Marco Island MSA
Ft Lauderdale	Broward	22744	Ft Lauderdale-Pompano Beach-Deerfield Beach MSA

Of the Florida AAs, Third Federal has its largest percentage of resources in the Tampa AA, based on its dollar amount of deposits and the number of retail offices. Furthermore, the largest percentage of the bank’s loans in the Florida AAs were made within the Tampa AA.

Refer to the market profiles in Appendix C for detailed demographics and other performance context information for this AA, which received a full-scope review.

**Scope of Evaluation in Florida**

We conducted a full-scope review in the Tampa AA, because this AA has the largest percentage of the bank’s resources, and because the bank conducts the largest percent of its Florida business in this AA (compared to the bank’s operations in its other Florida AAs. In drawing conclusions relative to the bank’s performance in the full-scope AAs, we took into consideration information derived from members of the community. Refer to the market profiles in appendix C for information regarding community contacts performed.

We conducted limited-scope reviews for the five other Florida AAs.

**LENDING TEST**

**Conclusions for Areas Receiving Full-Scope Reviews**

Third Federal’s performance under the lending test in the Tampa AA is rated Low Satisfactory.

This performance rating was based home mortgage lending, because the bank does not offer business or farm loans. In addition, the bank’s originations of consumer loans are minimal.

## **Lending Activity**

Refer to Florida Table 1 (Lending Volume) in Appendix D for the facts and data used to evaluate the bank's lending activity.

During the most recent year in which aggregate lending data was available (2010) Third Federal had a 1.2 percent market share in the origination of HMDA reportable single-family loans in the Tampa AA, among all lenders that reported loans during that year.

It is difficult to form a conclusion regarding the bank's lending market share without considering the competitive nature of the AA. Specifically, during 2010, over 500 lenders reported over 41,000 loans secured by single-family residences. Furthermore, June 30, 2011 FDIC statistical data showed that the AA was served by 746 offices of depository institutions, with combined deposits of \$55.3 billion.

Because of this additional information, we compared Third Federal's 2010 lending to that of the AA's seven largest depository institutions (based on the number of offices within the AA). That comparison showed that Third Federal made 503 single-family loans, which was a 2.4 percent market share of the loans made by these seven lenders. While Third Federal had a 3.0 market share of deposits in the AA, it only had 1.0 percent of the offices that these lenders operate in the AA.

Considering this data, we conclude that Third Federal's loan volume is adequate.

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

The overall geographic distribution of loans in the Tampa AA is adequate.

For our evaluation of the bank's lending performance in low- and moderate-income geographies, we gave strong consideration to a comparison of the bank's performance to aggregate lending data for 2010, the most recent year for which that data was available.

### *Home Mortgage Loans*

Refer to Florida Tables 2, 3, and 4, in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

### *Home Purchase Loans*

During the review period, Third Federal did not make any home purchase loans in low-income geographies in the Tampa AA. However, we cannot form a meaningful conclusion regarding this, because of the very minimal opportunity for lending in low-income geographies in this AA. Specifically, only 0.82 percent of the owner occupied housing units in the AA are located within low-income geographies. Also, further analysis of the most recently available aggregate data shows that during 2010, all reporting HMDA lenders made only 53 loans within the AA's low-income geographies. Furthermore, during that year, only two lenders made more than five loans in low-income geographies.

Florida Table 2 shows that Third Federal made 10.06 percent of its home purchase loans in moderate-income geographies, which is lower than the aggregate lending percentage in moderate-income geographies. However, the bank's percentage is equivalent to 73 percent of the aggregate percentage, and we conclude that this comparison results in adequate performance in the moderate-income geographies.

Overall, we conclude that the geographic distribution of the bank's home purchase loans in the Tampa AA is adequate.

#### *Home Improvement Loans*

During the review period, Third Federal only made 23 home improvement loans in the Tampa AA. Therefore, a distribution analysis of these loans would not be meaningful.

#### *Home Refinance Loans*

Third Federal's percentage of home refinance loans made in low-income geographies in the Tampa AA is slightly higher than the aggregate lending percentage in those geographies. However, as previously noted, only 0.82 percent of the owner occupied housing units in the AA are located within low-income geographies. Therefore, we cannot form a meaningful conclusion regarding the bank's performance in low-income geographies (due to very minimal lending opportunity).

Third Federal's percentage of home refinance loans in moderate-income geographies in the Tampa AA is lower than, but reasonably comparable to, the aggregate lending percentage in those geographies. Therefore, we conclude that the bank's lending in moderate-income geographies is adequate.

Overall, we conclude that the geographic distribution of the bank's home refinance loans in the Tampa AA is adequate.

### **Lending Gap Analysis**

Third Federal's lending within the state of Florida was evaluated to determine if any unexplained or conspicuous gaps were identified regarding the geographic distribution of the bank's home mortgage loans. Our analysis did not identify any unexplained or conspicuous gaps.

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

The overall distribution of loans based on borrower income in the Tampa AA is adequate.

#### *Home Mortgage Loans*

We considered Florida Tables 8, 9 and 10 in Appendix D for the facts and data used to evaluate the borrower income distribution of the bank's home mortgage loan originations and purchases.

We also considered information contained in Table C (see below). This table shows data pertaining to the seven largest depository institutions (large bank group) operating in the Tampa AA, based on their number of offices within the AA.

Column 1 of Table C shows the number of offices of the large bank group and by Third Federal in the AA. Column 2 shows the deposits of those offices, using the June 30, 2011, FDIC deposit data. Column 3 shows the number of single-family home purchase loans made by Third Federal to LMI borrowers in the AA during 2010, and also shows the same for the large bank group. Column 4 is similar to column 3, except that it pertains to home refinancing loans.

Table C – AA Offices, Deposits, and Number of Loans to LMI Borrowers							
1		2		3		4	
Number of Offices		Deposits (in billions)		LMI Home Purchase Loans in 2010		LMI Home Refinance Loans in 2010	
Large Bank Group	Third Federal	Large Bank Group	Third Federal	Large Bank Group	Third Federal	Large Bank Group	Third Federal
479	5	\$36.1	\$1.1	2,531	39	1,945	57

### *Home Purchase Loans*

Florida Table 8 (Appendix D) shows that Third Federal's percentages of home purchase loans made to low- and moderate-income borrowers in the Tampa AA are lower than the aggregate lending percentages to borrowers of both income categories. We also considered the information contained in Table C, which shows that Third Federal made 39 home purchase loans to LMI borrowers during 2010, representing 1.5 percent of the 2,531 loans made by the large bank group. Although Third Federal's market share of loans to LMI borrowers is lower than its 3.0 percent market share of deposits, it is higher than its 1.0 percent share of offices operated by the large bank group.

From these comparisons, we conclude that Third Federal's distribution of home purchase loans in the Tampa AA based on borrower income level is adequate.

### *Home Improvement Loans*

During the review period, Third Federal only made 23 home improvement loans in the Tampa AA. Therefore, a distribution analysis of these loans would not be meaningful.

### *Home Refinance Loans*

Third Federal's percentage of home refinance loans made to LMI borrowers in the Tampa AA is lower than, but reasonably comparable to, the aggregate lending percentages to LMI borrowers. Therefore, we conclude that the bank's distribution of home refinance loans in this AA based on borrower income level is adequate.

## Community Development Lending

Third Federal did not make any community development loans in the Tampa AA during the review period. However, this has a neutral impact on the bank’s overall lending test rating in Florida.

## Product Innovation and Flexibility

Third Federal offers several flexible loan programs described in the following table. These programs are generally designed to help LMI borrowers obtain financing.

Innovative and Flexible Lending Programs	
Program	Description
CDS Programs	Involves programs for the purchase or refinance of a 1-2 family, owner-occupied home or condominium. The costs are \$600 lower than the standard Third Federal mortgage product. Loan to value (LTV) ratios as high as 90 percent are permitted, and private mortgage insurance (PMI) is not required if the down payment is at least 20 percent of the loan amount.
Partnerships in Revitalizing Our Urban Development	Involves two programs for financing newly constructed single-family owner-occupied homes or condominiums. Costs are \$600 lower than Third Federal's standard mortgage products, the LTV can be as high as 95 percent, and PMI is not required with LTVs that do not exceed 90 percent. Homes must be built by a target builder.
Purchase Refinance Rehabilitation (PREFER)	This program was developed by Third Federal for the purchase, refinance, or rehabilitation of a 1-2 family owner-occupied home. PMI is not required if the down payment is greater than 20 percent of the loan amount.
CDS Expanded Approval	Available to all who complete the HomeToday program. Closing costs are discounted, and qualified applicants are eligible for down payment match assistance.

We conclude that these programs have enhanced Third Federal’s ability to make affordable housing available to the AA residents.

## Conclusions for Area Receiving Limited-Scope Reviews

Third Federal’s operations include five other Florida AAs, in addition to the Tampa AA. Based on a limited-scope review, the bank’s performance under the lending test in the other AAs (Ft. Lauderdale, Ft. Myers, Naples, Sarasota, and West Palm) was not inconsistent with its performance in the Tampa AA.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

Third Federal’s performance under the investment test in the Tampa AA is rated Low Satisfactory.

Refer to Florida Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Third Federal investments in the Tampa AA total \$1.1 million. Most of these investments were for the purpose of supporting the bank's HomeToday program. We conclude that this is an adequate level of qualified investments considering the bank's level of deposits the Tampa AA.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, Third Federal's qualified investments in its other five Florida AAs (Ft. Lauderdale, Ft. Myers, Naples, Sarasota, and West Palm) were weaker due to the lower number of available investments in those AAs. As a result, the bank's performance under the investment test in the other five AAs was weaker compared to that of the Tampa AA. The weaker performance is not result in a material impact to the overall Investment Test rating for Florida.

Refer to Florida Table 14 in Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Third Federal's performance under the service test in the Tampa AA is rated Satisfactory.

Based on a full-scope review, the bank's performance in the Tampa AA is adequate. We placed the most weight on the distribution of the bank's branch delivery system in determining overall service test performance.

### **Retail Banking Services**

Refer to Florida Table 15 in Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery systems, and branch openings and closings.

Third Federal's distribution of branches is reasonable compared to the AA's demographics. Although the bank does not have any offices in low-income geographies, less than three percent of the population of the Tampa AA resides in those geographies. The percent of offices in moderate-income geographies is comparable to the percentage of the AA's population that lives in those geographies. Regarding middle- and upper-income geographies, Third Federal has a very strong presence in the middle-income geographies.

Each of the bank's offices has identical office hours and retail services. Third Federal does not own ATMs, but has made an arrangement with another bank that has approximately 7,500

ATMs nationwide. Through this arrangement, Third Federal customers can make three withdrawals each month from these ATMs without incurring a service fee.

Since the prior evaluation, the bank re-located the following offices:

South Church Avenue - this office was located in an upper-income geography, and the new location is also located in an upper income geography. The former office was located on a secondary street, while the new office is located on a primary road with better visibility and updated facilities.

Little Road - this office was located in a moderate-income geography, and the new office is located in a middle-income geography. However, the new location is only 0.8 miles from the former location. Furthermore, the former location was located in a census tract that has an MFI (74 percent of the MSA MFI) that is reasonably comparable to the MFI of the new location (83 percent of the MSA MFI).

Cleveland Avenue - this office was located in a middle-income geography, and the new office is also located in a middle-income geography with very similar demographics (99.5 percent MFI compared to 96.7 percent MFI).

We conclude that these re-locations did not have a material effect on accessibility for LMI residents.

### **Community Development Services**

Third Federal employees were not involved in any traditional community development services in its Florida assessment areas during the review period. However, as previously discussed, the bank implemented a Foreclosure Prevent Program since the previous evaluation. In conjunction with this program, Third Federal modified 102 loans. 35 of these loans are secured by properties located within low- or-moderate income geographies.

Although they were minimal, we conclude that Third Federal has an adequate level of community development services in the Tampa AA. This conclusion places strong consideration of the fact that the bank has relatively few employees in the AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the service test in the other Florida AAs (Ft. Lauderdale, Ft. Myers, Naples, Sarasota, and West Palm) is not inconsistent with the bank's overall performance under the service test in the Tampa Florida AA.

Refer to Florida Table 15 in Appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products that were considered. The table also reflects the metropolitan and nonmetropolitan areas 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>	All Activities: 1/1/2008 to 12/31/2011	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Third Federal Saving & Loan Association of Cleveland		HMDA reportable loans, qualified investments, and community development services,
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>None</i>	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<u>Ohio:</u> Cleveland-Elyria-Mentor MA Akron MA	Full-Scope Limited-Scope	Cuyahoga, Medina, Lorain, and Lake Counties Summit County
<u>Florida:</u> Tampa-St.Petersburg-Clearwater MA Ft. Lauderdale-Pompano Beach-Deerfield Beach MA Cape Coral- Ft. Myers MA Naples-Marco Island MA North Port-Brandenton-Sarasota MA West Palm Beach-Boca Raton-Boynton Beach MA	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope	Pinellas, Pasco, and Hillsboro Counties Broward County Lee County Collier County Sarasota County Palm Beach County

## Appendix B: Summary of State Ratings

RATINGS		Third Federal Savings and Loan Association of Cleveland		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Third Federal Savings and Loan Association of Cleveland	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State:				
State of Ohio	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Florida	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

### OHIO:

Demographic Information for Full-Scope Area: Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	672	16.52	20.68	38.24	23.21	1.34
Population by Geography	2,057,248	10.17	17.51	43.63	28.66	0.03
Owner-Occupied Housing by Geography	553,264	5.08	13.03	48.48	33.41	0.00
Business by Geography	117,355	7.56	14.54	40.76	36.47	0.66
Farms by Geography	2,832	1.84	6.43	52.54	39.09	0.11
Family Distribution by Income Level	537,950	20.83	18.24	22.27	38.66	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	210,171	18.34	25.38	41.10	15.19	0.00
Median Family Income		52,660	Median Housing Value		119,016	
HUD Adjusted Median Family Income for 2010		64,800	Unemployment Rate (2000 US Census)		2.67%	
Households Below Poverty Level		11%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2010 HUD updated MFI

This AA includes Cuyahoga, Lake, Lorain, and Medina Counties. These counties are part of the Cleveland-Elyria-Mentor MSA. Cleveland is the major city within the AA, and is where Third Federal began its operations in 1938. In recent years, Third Federal has expanded its branch network into neighboring communities within this AA.

As of December 31, 2011, Third Federal had 19 full-service offices in this AA. Fifteen of these offices are in Cuyahoga County; two are in Medina County; and Lorain and Lake Counties each have one office.

Cuyahoga County has the largest population in the AA, and includes the City of Cleveland, which is the largest city in the AA. Cleveland provides a significant portion of the manufacturing jobs within the AA. The cities of Lorain and Elyria also make significant contributions to the manufacturing industries in the AA.

According to the 2000 census, the populations for Cuyahoga, Lorain, Medina, and Lake Counties were 1.4 million, 284 thousand, 151 thousand, and 227 thousand, respectively.

The AA's market is highly competitive and is served by many banking institutions. As of June 30, 2011, the AA was served by 678 depository offices of FDIC insured institutions. Third Federal's offices in the AA had an 11.7 percent market share of the total deposits in the AA.

In recent years, the City of Cleveland has been particularly plagued by foreclosures. While some lenders have effectively implemented work-out solutions with delinquent borrowers, other lenders have been aggressive in taking foreclosure action. Cleveland's neighborhoods have been devastated by these actions, resulting in a large volume of vacant homes. Many of these homes have been vandalized. In many instances, they are in a state of disrepair and need to be demolished.

We considered information provided by a local community contact who stated:

- Local banks have become overly stringent and conservative with underwriting standards.
- Appraisers have become conservative in their appraisals, and this has contributed to depressed properties values.
- LMI borrowers have found it difficult to get credit because of requirements for higher credit scores and higher down payments.
- No-cost checking and savings accounts are needed to encourage savings
- Homeownership and foreclosure prevention counseling is needed.

**FLORIDA:**

Demographic Information for Full Scope Area: Tampa (Pinellas, Hillsborough, & Pasco Counties)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	522	3.07	24.52	45.21	27.20	0.00
Population by Geography	2,265,195	2.49	22.88	45.74	28.90	0.00
Owner-Occupied Housing by Geography	666,440	0.82	20.14	47.94	31.10	0.00
Business by Geography	258,630	1.58	21.41	42.17	34.85	0.00
Farms by Geography	6,354	0.61	20.29	48.10	31.00	0.00
Family Distribution by Income Level	601,155	18.63	18.71	21.88	40.79	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	224,458	3.95	32.55	47.67	15.83	0.00
Median Family Income		45,339	Median Housing Value		93,332	
HUD Adjusted Median Family Income for 2010		59,400	Unemployment Rate (2000 US Census)		2.39%	
Households Below Poverty Level		10%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 US Census and 2010 HUD updated MFI

This AA consists of Hillsborough, Pasco, and Pinellas Counties. Third Federal opened its first three offices in this AA in October 1999. Another opened in November 1999, and a fifth office followed in September 2000. In Pinellas County, one office is located in a moderate-income geography and two are located in middle-income geographies. The office in Pasco County is located in a middle-income geography, while the office in Hillsborough is located in upper-income geography.

The City of Tampa (Hillsborough County) is the largest city in the AA. Other cities in Hillsborough County include Brandon, Plant City, and Valrico. Pasco County is mostly comprised of smaller cities, with Dade City being the largest city in the county. Clearwater is the largest city in Pinellas County, and other cities in the county include Dunedin, Largo, Pinellas Park, and St. Petersburg.

According to 2000 census data, 7.9 percent of the AA families have income that is below the poverty level. The same data shows that 34 percent of the households in the AA receive social security benefits, and three percent receive some form of public assistance.

As of June 30, 2011, the AA was served by 746 depository offices of FDIC insured institutions. Third Federal's offices in the AA had a 1.9 percent market share of the total deposits in the AA.

We considered information provided by a community contact representing a local agency that provides social services. The contact stated that the local community had the following needs:

- Housing assistance grants (i.e., homeless prevention programs, utility assistance funds).
- Direct relationships with employers to provide employment opportunities for single mothers.
- Foreclosure prevention programs.
- Donations of foreclosed properties to provide transitional housing or re-housing for families at risk of being homeless.

Appendix D: Tables of Performance Data

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## Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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 loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

**Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

**Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.

- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

## Tables of Performance Data

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### State of Ohio

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: OHIO												
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011												
Assessment Area (2010):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	
<b>Full Review:</b>												
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	84.88	21,936	3,225,761	0	0	0	0	0	0	21,936	3,225,761	92.02
<b>Limited Review:</b>												
Akron (Summit County)	15.12	3,908	607,347	0	0	0	0	0	0	3,908	607,347	7.98

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

State of Ohio

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE														Geography: OHIO				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	Low	Mod	Middle	Upper							
<b>Full Review:</b>																					
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	6,516	84.80	5.08	1.69	13.03	3.05	48.48	38.18	33.41	57.07	1.44	6.00	46.60	45.96							
<b>Limited Review:</b>																					
Akron (Summit County)	1,168	15.20	3.49	1.11	21.36	5.65	44.15	28.08	31.00	65.15	1.33	10.88	42.19	45.61							

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

State of Ohio

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: OHIO					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	Low	Mod	Middle	Upper
<b>Full Review:</b>														
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	379	85.75	5.08	2.11	13.03	6.07	48.48	43.80	33.41	48.02	5.81	13.69	47.18	33.31
<b>Limited Review:</b>														
Akron (Summit County)	63	14.25	3.49	1.59	21.36	3.17	44.15	36.51	31.00	58.73	2.63	23.36	42.76	31.25

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

State of Ohio

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: OHIO					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	Low	Mod	Middle	Upper
<b>Full Review:</b>														
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	15,041	84.89	5.08	0.47	13.03	2.46	48.48	35.75	33.41	61.32	0.58	3.19	39.40	56.84
<b>Limited Review:</b>														
Akron (Summit County)	2,677	15.11	3.49	0.37	21.36	2.88	44.15	24.09	31.00	72.66	0.66	5.89	38.96	54.50

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

State of Ohio

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY														Geography: OHIO				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% of MF Units***	% Third Federal Loans****	% of MF Units***	% Third Federal Loans****	% of MF Units***	% Third Federal Loans****	% of MF Units***	% Third Federal Loans****	Low	Mod	Middle	Upper							
<b>Full Review:</b>																					
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	0	0.00	12.90	0.00	25.42	0.00	44.01	0.00	17.67	0.00	6.17	9.88	49.38	34.57							
<b>Limited Review:</b>																					
Akron (Summit County)	0	0.00	15.02	0.00	22.70	0.00	40.31	0.00	21.97	0.00	7.14	14.29	64.29	14.29							

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

## State of Ohio

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: OHIO					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011				Aggregate Lending Data*			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Low	Mod	Middle	Upper
	#	% of Total**	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****				
<b>Full Review:</b>														
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	6,516	84.80	20.83	7.28	18.24	18.51	22.27	25.41	38.66	48.79	14.03	26.24	24.13	35.60
<b>Limited Review:</b>														
Akron (Summit County)	1,168	15.20	19.72	5.76	18.56	17.44	22.70	23.63	39.03	53.18	15.33	26.60	22.29	35.78

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\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.4% of loans originated and purchased by BANK.

State of Ohio

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT														Geography: OHIO				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	Low	Mod	Middle	Upper							
<b>Full Review:</b>																					
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	379	85.75	20.83	9.04	18.24	18.09	22.27	27.13	38.66	45.74	15.81	25.71	24.48	34.01							
<b>Limited Review:</b>																					
Akron (Summit County)	63	14.25	19.72	6.35	18.56	17.46	22.70	14.29	39.03	61.90	14.72	28.09	22.74	34.45							

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.7% of loans originated and purchased by BANK.

State of Ohio

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: OHIO					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011				Aggregate Lending Data*			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Low	Mod	Middle	Upper
	#	% of Total**	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****				
<b>Full Review:</b>														
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	15,041	84.89	20.83	4.30	18.24	12.65	22.27	23.54	38.66	59.51	6.26	15.75	24.79	53.21
<b>Limited Review:</b>														
Akron (Summit County)	2,677	15.11	19.72	3.74	18.56	10.63	22.70	23.43	39.03	62.20	7.06	16.27	24.64	52.02

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated and purchased by BANK.

## State of Ohio

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: OHIO									
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	% of Total	#	\$(000s)
<b>Full Review:</b>									
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	0	0	1,053	12,295	1,053	12,295	99.00	1	79
<b>Limited Review:</b>									
Akron (Summit County)	0	0	75	121	75	121	1.00	0	0

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

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

State of Ohio

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: OHIO																	
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Third Federal Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Middle	Upper			Low	Mod	Middle	Upper	Low	Mod	Middle	Upper
<b>Full Review:</b>																	
Cleveland (Cuyahoga, Lake, Lorain, & Medina Counties)	92.02	19	86.36	5.26	5.26	52.63	36.84	2	3	0	-1	0	1	10.17	17.51	43.63	28.66
<b>Limited Review:</b>																	
Akron (Summit County)	7.98	3	13.64	0.00	0.00	33.33	66.67	0	0	0	0	0	0	8.05	23.69	40.51	27.75

## STATE OF FLORIDA

Table 1. Lending Volume

LENDING VOLUME		Geography: FLORIDA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011						
Assessment Area (2010):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	
<b>Full Review:</b>												
Tampa (Pinellas, Hillsborough, & Pasco Counties)	38.28	2,024	347,398	0	0	0	0	0	0	2,024	347,398	39.30
<b>Limited Review:</b>												
Ft Lauderdale (Broward County)	8.61	455	93,101	0	0	0	0	0	0	455	93,101	11.94
Ft Myers (Lee County)	11.71	619	110,190	0	0	0	0	0	0	619	110,190	8.94
Naples (Collier County)	8.44	446	96,667	0	0	0	0	0	0	446	96,667	4.32
Sarasota (Sarasota County)	9.87	522	100,656	0	0	0	0	0	0	522	100,656	9.19
West Palm (Palm Beach County)	23.09	1,221	232,590	0	0	0	0	0	0	1,221	232,590	26.30

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

## STATE OF FLORIDA

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE														Geography: FLORIDA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	Low	Mod	Middle	Upper							
<b>Full Review:</b>																					
Tampa (Pinellas, Hillsborough, & Pasco Counties)	726	45.63	0.82	0.00	20.14	10.06	47.94	48.62	31.10	41.32	0.37	13.80	41.88	43.95							
<b>Limited Review:</b>																					
Ft Lauderdale (Broward County)	130	8.17	1.16	0.77	23.67	15.38	45.93	22.31	29.24	61.54	1.31	13.82	44.56	40.32							
Ft Myers (Lee County)	176	11.06	0.87	0.00	13.24	9.09	63.06	50.00	22.84	40.91	0.05	4.05	69.06	26.84							
Naples (Collier County)	132	8.30	2.30	0.00	13.08	5.30	47.98	46.97	36.65	47.73	0.49	13.53	51.51	34.47							
Sarasota (Sarasota County)	97	6.10	0.51	0.00	17.37	5.15	54.96	53.61	27.17	41.24	0.31	10.50	56.13	33.06							
West Palm (Palm Beach County)	330	20.74	1.53	0.30	24.63	11.82	36.35	41.52	37.50	46.36	1.32	15.67	36.80	46.20							

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

## STATE OF FLORIDA

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT														Geography: FLORIDA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occupied Units***	% BANK Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans	% Owner Occupied Units***	% Third Federal Loans	Low	Mod	Middle	Upper							
<b>Full Review:</b>																					
Tampa (Pinellas, Hillsborough, & Pasco Counties)	23	35.38	0.82	0.00	20.14	8.70	47.94	39.13	31.10	52.17	0.62	18.60	43.18	37.60							
<b>Limited Review:</b>																					
Ft Lauderdale (Broward County)	5	7.69	1.16	0.00	23.67	20.00	45.93	40.00	29.24	40.00	0.51	15.95	38.73	44.81							
Ft Myers (Lee County)	2	3.08	0.87	0.00	13.24	0.00	63.06	50.00	22.84	50.00	0.00	9.38	59.38	31.25							
Naples (Collier County)	7	10.77	2.30	0.00	13.08	0.00	47.98	71.43	36.65	28.57	2.74	4.11	52.05	41.10							
Sarasota (Sarasota County)	8	12.31	0.51	0.00	17.37	0.00	54.96	62.50	27.17	37.50	0.00	17.19	57.03	25.78							
West Palm (Palm Beach County)	20	30.77	1.53	0.00	24.63	10.00	36.35	35.00	37.50	55.00	4.16	17.11	27.87	50.86							

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**STATE OF FLORIDA**

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	% Owner Occupied Units***	% Third Federal Loans****	Low	Mod	Middle
<b>Full Review:</b>															
Tampa (Pinellas, Hillsborough, & Pasco Counties)	1,275	35.11	0.82	0.24	20.14	7.06	47.94	44.16	31.10	48.55	0.18	7.99	36.44	55.40	
<b>Limited Review:</b>															
Ft Lauderdale (Broward County)	320	8.81	1.16	0.00	23.67	6.88	45.93	29.38	29.24	63.75	0.62	6.51	32.72	60.15	
Ft Myers (Lee County)	441	12.15	0.87	0.00	13.24	6.58	63.06	44.44	22.84	48.98	0.02	3.30	48.74	47.94	
Naples (Collier County)	307	8.45	2.30	0.00	13.08	4.89	47.98	37.46	36.65	57.65	0.20	7.45	39.28	53.08	
Sarasota (Sarasota County)	417	11.48	0.51	0.00	17.37	3.12	54.96	43.41	27.17	53.48	0.13	6.32	49.23	44.32	
West Palm (Palm Beach County)	871	23.99	1.53	0.23	24.63	6.66	36.35	30.77	37.50	62.34	0.31	7.16	30.42	62.10	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

STATE OF FLORIDA

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% Third Federal Loans****	% of MF Units***	% Third Federal Loans****	% of MF Units***	% Third Federal Loans****	% of MF Units***	% Third Federal Loans****	Low	Mod	Middle	Upper
<b>Full Review:</b>														
Tampa (Pinellas, Hillsborough, & Pasco Counties)	0	0.00	4.36	0.00	18.67	0.00	49.20	0.00	27.77	0.00	1.75	29.82	45.61	22.81
<b>Limited Review:</b>														
Ft Lauderdale (Broward County)	0	0.00	2.27	0.00	32.48	0.00	48.64	0.00	16.61	0.00	7.27	34.55	41.82	16.36
Ft Myers (Lee County)	0	0.00	1.45	0.00	15.27	0.00	44.37	0.00	38.90	0.00	0.00	18.18	63.64	18.18
Naples (Collier County)	0	0.00	2.08	0.00	7.03	0.00	35.11	0.00	55.78	0.00	0.00	0.00	30.00	70.00
Sarasota (Sarasota County)	0	0.00	0.89	0.00	13.23	0.00	39.09	0.00	46.79	0.00	0.00	25.00	25.00	50.00
West Palm (Palm Beach County)	0	0.00	3.13	0.00	32.78	0.00	31.51	0.00	32.58	0.00	9.52	47.62	19.05	23.81

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE														Geography: FLORIDA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	Low	Mod	Middle	Upper							
<b>Full Review:</b>																					
Tampa (Pinellas, Hillsborough, & Pasco Counties)	726	45.63	18.63	4.83	18.71	15.45	21.88	23.59	40.79	56.14	8.59	24.06	23.64	43.71							
<b>Limited Review:</b>																					
Ft Lauderdale (Broward County)	130	8.17	20.85	5.38	18.17	9.23	20.48	17.69	40.50	67.69	8.91	24.28	24.11	42.70							
Ft Myers (Lee County)	176	11.06	17.16	3.41	19.96	13.64	23.32	28.41	39.56	54.55	13.78	21.15	17.79	47.29							
Naples (Collier County)	132	8.30	19.06	6.82	19.32	12.88	20.65	16.67	40.97	63.64	12.64	16.19	16.66	54.50							
Sarasota (Sarasota County)	97	6.10	16.14	6.19	19.23	12.37	23.84	23.71	40.79	57.73	11.34	18.37	20.01	50.28							
West Palm (Palm Beach County)	330	20.74	19.86	4.57	18.56	15.55	20.60	20.12	40.98	59.76	8.87	22.41	21.44	47.29							

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.2% of loans originated and purchased by BANK.

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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	Low	Mod	Middle	Upper
<b>Full Review:</b>														
Tampa (Pinellas, Hillsborough, & Pasco Counties)	23	35.38	18.63	9.09	18.71	18.18	21.88	18.18	40.79	54.55	15.23	21.83	24.92	38.02
<b>Limited Review:</b>														
Ft Lauderdale (Broward County)	5	7.69	20.85	0.00	18.17	20.00	20.48	40.00	40.50	40.00	16.75	18.06	23.04	42.15
Ft Myers (Lee County)	2	3.08	17.16	0.00	19.96	0.00	23.32	0.00	39.56	100.00	20.49	22.95	17.21	39.34
Naples (Collier County)	7	10.77	19.06	14.29	19.32	57.14	20.65	0.00	40.97	28.57	11.43	22.86	21.43	44.29
Sarasota (Sarasota County)	8	12.31	16.14	0.00	19.23	25.00	23.84	25.00	40.79	50.00	22.58	20.16	20.97	36.29
West Palm (Palm Beach County)	20	30.77	19.86	5.26	18.56	31.58	20.60	21.05	40.98	42.11	13.16	19.49	19.49	47.85

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.1% of loans originated and purchased by BANK.

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FLORIDA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*				
	#	% of Total**	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	% Families***	% Third Federal Loans****	Low	Mod	Middle
<b>Full Review:</b>															
Tampa (Pinellas, Hillsborough, & Pasco Counties)	1,275	35.11	18.63	5.19	18.71	12.75	21.88	21.95	40.79	60.11	5.39	13.96	20.94	59.71	
<b>Limited Review:</b>															
Ft Lauderdale (Broward County)	320	8.81	20.85	3.17	18.17	6.03	20.48	20.32	40.50	70.48	4.84	11.18	20.35	63.62	
Ft Myers (Lee County)	441	12.15	17.16	3.64	19.96	11.36	23.32	22.95	39.56	62.05	5.24	13.22	19.50	62.05	
Naples (Collier County)	307	8.45	19.06	5.92	19.32	12.83	20.65	25.99	40.97	55.26	4.75	11.84	17.70	65.70	
Sarasota (Sarasota County)	417	11.48	16.14	3.61	19.23	14.70	23.84	23.37	40.79	58.31	7.75	14.04	22.17	56.04	
West Palm (Palm Beach County)	871	23.99	19.86	4.72	18.56	12.43	20.60	22.78	40.98	60.07	4.71	12.96	19.70	62.62	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated and purchased by BANK.

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**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: FLORIDA									
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	% of Total	#	\$(000s)
<b>Full Review:</b>									
Tampa (Pinellas, Hillsborough, & Pasco Counties)	0	0	368	1,110	368	1,110	97.54	0	0
<b>Limited Review:</b>									
Ft Lauderdale (Broward County)	0	0	0	0	0	0	0.00	0	0
Ft Myers (Lee County)	0	0	5	28	5	28	2.46	0	0
Naples (Collier County)	0	0	0	0	0	0	0.00	0	0
Sarasota (Sarasota County)	0	0	0	0	0	0	0.00	0	0
West Palm (Palm Beach County)	0	0	0	0	0	0	0.00	0	0

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

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

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Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: FLORIDA																	
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Third Federal Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Middle	Upper			Low	Mod	Middle	Upper	Low	Mod	Middle	Upper
<b>Full Review:</b>																	
Tampa (Pinellas, Hillsborough, & Pasco Counties)	39.30	5	29.41	0.00	20.00	60.00	20.00	3	3	0	-1	+1	0	2.49	22.88	45.74	28.90
<b>Limited Review:</b>																	
Ft Lauderdale (Broward County)	11.94	4	25.53	0.00	0.00	50.00	50.00	0	0	0	0	0	0	3.57	26.43	43.13	26.88
Ft Myers (Lee County)	8.94	2	11.76	0.00	0.00	100.00	0.00	0	0	0	0	0	0	1.95	17.89	61.13	19.03
Naples (Collier County)	4.32	1	5.88	0.00	0.00	100.00	0.00	0	0	0	0	0	0	7.48	18.77	45.24	28.51
Sarasota (Sarasota County)	9.19	1	5.88	0.00	0.00	100.00	0.00	0	0	0	0	0	0	1.20	20.05	53.82	24.93
West Palm (Palm Beach County)	26.30	4	25.53	0.00	25.00	50.00	25.00	0	0	0	0	0	0	4.21	29.32	33.88	32.37