

STATEMENT/Center for Investigative Reporting

Our examination of publicly available 2016 mortgage lending data concludes that, for African American applicants for single family home purchases and refinance lending in Philadelphia, Santander's approval rate was higher and our denial rate was lower – not only compared to our peer banks in Philadelphia, but to all lenders, including all non-bank finance companies, which do not maintain the same credit standards as regulated banks.

Key Findings:

- For African American applicants in Philadelphia, Santander's mortgage loan origination rate in 2016 was 70 percent. The origination rate for our peer banks and for all lenders in 2016 was 49 percent and 41 percent, respectively.
- For African American applicants in Philadelphia, Santander's mortgage loan denial rate was 21 percent in 2016. The denial rate was 36 percent for our peer banks and 33 percent for all lenders.
 - o **NOTE:** Santander's peer banks in Philadelphia are Bank of America, Citizen's Bank, M&T Bank, TD Bank and BB&T.

HMDA Data Lacks Critical Factors

- It's important to note that Home Mortgage Disclosure Act (HMDA) data does not account for some of the most critical factors that all financial institutions consider when reviewing loan applications, including the borrower's amount of debt and credit history.
- Without this critical information, it is difficult to draw meaningful fair lending conclusions.

At Santander, we are committed to fair lending and continually review our compliance programs to ensure that all loan applicants are receiving fair treatment. In the Philadelphia area, Santander has been an active partner with public and not-for-profit organizations dedicated to increasing home ownership in low-income and minority communities. Our robust homebuyer program shows that we are committed to helping homebuyers secure the financing they need.

Specific to Rachelle Faroul's assertions re: her experience with Santander:

While we are sympathetic with her situation, after looking into this particular matter, we are confident that the loan application was managed fairly and processed in an appropriate and compliant manner consistent with our standard operating procedures.