

Community Benefits Plan Silicon Valley Bank

Introduction

In consultation with Greenlining Institute (“**GI**”) and the California Reinvestment Coalition (“**CRC**”), and in connection with the recently-announced proposed merger transaction with Boston Private Bank, Silicon Valley Bank (“**SVB**” or the “**Bank**”) provides the following five-year California community benefits goals.

Beginning with and subject to the consummation of the merger in 2021 and extending over the five years January 1, 2022 through December 31, 2026, Silicon Valley Bank pledges to seek to achieve at least \$9.06 billion in cumulative qualified Community Reinvestment Act (“**CRA**”) activity in California and \$11.21 billion for the Bank overall, as defined below. The Bank will also develop a Supplier Diversity plan to expand its use of minority- and women-owned suppliers during the period of the Plan.

To achieve this cumulative activity target, the Bank has identified the following aspirational goals for each of the key components of its CRA qualified activity. Over the term of its commitment, the Bank’s goal is to achieve the following across its assessment areas:

- \$4 billion in small business loans of \$1 million or less;
- \$4 billion in CRA community development (“**CD**”) loans and investments;
- \$1 billion in residential mortgages to low- and moderate-income (“**LMI**”) borrowers and in LMI census tracts as reported on the Bank’s annual Home Mortgage Disclosure Act (“**HMDA**”) loan application registers; and
- \$60 million in charitable contributions.

The Bank plans for at least one quarter of its cumulative California CRA activity to be in its new Southern California assessment area of greater Los Angeles. SVB will evaluate this allocation annually beginning in year two of this Plan (2023), and future allocations may be revised, as needed, to reflect the relative presence and penetration of the Bank in regional markets that are part of a broader state-wide or regional area (“**BSRA**”) that includes the Bank’s assessment areas.

In pursuit of these goals, the Bank will engage in a range of lending, investment, and philanthropic strategies, including, but not limited to, the following:

Small Business Lending: To reach its goal of \$4 billion in small business lending, the Bank plans to:

- Achieve 50% of its number of small business loans originated each year to be for amounts under \$250,000.
- Achieve 50% of the amount of its small business lending each year to be to businesses with gross annual revenue (“GAR”) less than or equal to \$1 million, businesses located in an LMI census tract, or to businesses located in a majority-minority census tract.
- Focus at least \$1 billion of non-credit card-based loan commitments to small businesses.
- Grow the number and amount of its yearly small business loans over the Plan period.
- Focus its support for Community Development Financial Institutions (“CDFIs”) on those that are minority- or women-led institutions, and in partnership with one or more of its CDFI partners, the Bank will work to support the development of a line of credit product targeted for smaller businesses, including those that are minority- or women-led.
- Increase access to credit for smaller businesses (for businesses with GAR ≤ \$1 million) and increase lending to diverse businesses in our California communities by:
 - Supporting small business technical assistance provided by nonprofit providers and committing \$500,000 annually for technical assistance and \$150,000 annually for loan loss reserve funding, with emphasis on micro lenders doing loans in amounts less than or equal to \$50,000.
 - Establish a process to refer small business loan denials to local Technical Assistance providers, CDFI’s and other community development lenders in our assessment areas.
 - Develop a program to finance start-up and emerging companies owned by and operating in or near LMI communities and communities of color.
 - Provide \$250,000 in grants over the course of the Plan to nonprofits that, through ethnic media organizations, will assist the Bank in reaching additional LMI and ethnic small business customers. These grants will be awarded through an open and competitive process.
 - Set aside \$5 million to provide direct grants to small business owners suffering from pandemic related impacts.

Community Development: To reach its goal of \$4 billion in CD lending and investments, the Bank plans to:

- Allocate least 50% of its CD lending and investment to expanding affordable housing alternatives for LMI persons and households, which will include, wherever possible, affordable rental housing for persons experiencing homelessness and for very-low and extremely low-income households.
- Target \$20 million in investments to (1) developers of color or to (2) CDFIs and similar entities to build the capacity of nonprofit affordable housing developers of color to finance housing projects that may be targeted to LMI neighborhoods, majority-minority neighborhoods, LMI residents, and residents of color, wherever those opportunities become available.
- Allocate \$3 million for investments in CDFIs and other non-profit community development funds, particularly minority- or women-led institutions or funds with assets less than \$10 million, such as through EQ2 financing or an intermediary CDFI.
- Assist Community Land Trusts (“CLT”) and similar entities to purchase, acquire and/or rehab properties in California and to ensure permanent affordability of housing through lending or investment in CDFIs that are active with CLTs
- Allocate \$10 million for investments or loans and \$1 million in capacity building grants to support nonprofit, community land trust, and community efforts to acquire and preserve distressed assets, consistent with recently passed legislation (SB 1079-Skinner), which creates a nonprofit right to purchase single-family homes at foreclosure auction.
- Invest \$3 million in CRA-qualified small business investment companies (“SBICs”) targeted for LMI areas, majority-minority areas, and to minority-led enterprises.
- Continue and increase permanent lending.
- Prioritize infill and small site development opportunities.
- Help non-profit organizations serving LMI communities to purchase and refinance their buildings.
- Finance green community development initiatives, where possible, including initiatives led by women or minorities or located in majority-minority communities.

Mortgages, Housing, and Home Preservation: To reach its goal of \$1 billion in mortgage lending, the Bank plans to:

- Increase mortgage originations for each of the following borrower categories over the Plan period by at least 10%:
 - Mortgage lending to LMI borrowers;
 - Mortgage lending to African American borrowers;
 - Mortgage lending to Latino borrowers;
 - Mortgage lending to Asian American Pacific Islander borrowers;
 - Increase lending to AAPI disaggregated groups.
 - Mortgage lending in LMI census tracts; and
 - Mortgage lending in majority-minority census tracts.
- Provide \$500,000 in grants over the course of the Plan to nonprofit organizations that, through ethnic media, will assist the Bank in reaching additional LMI and diverse homeowner and prospective home buyer clients. Grants will be awarded through an open, competitive process.
- Increase philanthropic allocations to housing counseling organizations, legal aid offices, and fair housing organizations and distribute this money as quickly as possible, especially for organizations serving people being hit the hardest by the pandemic, including persons of color. This support is intended to help grow the pipeline of mortgage-ready, first-time homebuyers through pre- and post-purchase homebuyer education, and credit rehabilitation counseling and should serve as the first line of defense to keep homeowners in their homes when faced with foreclosure.
- Provide grant support for homelessness prevention and support services, including mental health services. This support will be prioritized to organizations led by African Americans to address the disproportionate impact homelessness has on African Americans.
- Commit \$10 million to establish an affordable home mortgage program to provide discounts or subsidies on home purchase, home improvement, and home refinancing loans to borrowers in its California footprint. Discounts and subsidies under the Affordable Home Mortgage Program could be in the form of closing costs assistance, down-payment assistance, interest rate reduction, or mortgage insurance premium reduction. Such subsidies and discounts will be capped at thirty thousand dollars (\$30,000) per loan and will be limited to loans that are for the borrower's primary residence and are of a dollar amount that is within the Government-Sponsored Enterprise conforming loan limit at

the time for the census tract applicable to the relevant loan. The Bank will explore ways to best target the program to BIPOC borrowers as part of a special purpose credit program, in further discussion with CRC, consistent with regulatory guidelines and approval. Such commitment will count towards the Bank's charitable contributions.

Policy Considerations: In support of the commitment and ongoing support of CRA efforts, the Bank plans to:

- Adopt an anti-displacement policy, such as the policy already established by Boston Private Bank.
- Support CFPB's section 1071 data collection rulemaking efforts so that detailed data on small business lending is collected and made publicly available to promote equal access to credit and to support enforcement efforts against discrimination and fair lending violations.
- Develop green initiatives and screens. The Bank will work to ensure its community development efforts promote a green economy and green communities that build wealth in communities of color.

Consumer:

- The Bank plans to reconfigure any CA-based ATMs to waive out-of-network surcharges for California public assistance recipients who use Electronic Benefits Transfer Cards (EBT).

Charitable Contributions – The Bank plans to increase charitable contributions to \$60 million over the Plan period and plans to:

- Begin tracking CRA eligible philanthropic support to organizations led by persons who identify themselves as a member of a minority group. The Bank will also:
 - Commit to increasing the amount of support for these organizations over the term of the Plan;
 - Support capacity-building efforts for non-profit organizations led by people of color, women, and other minorities; and
 - Increase general operating support, with a priority on increasing this support for organizations led by people of color.
- Support capacity-building grants for faith-based organizations engaged in community development and advocacy efforts.

- Continue existing Boston Private grant partnerships and establish new relationships with organizations that do not have current connections to Boston Private Bank or SVB.
- Commit that at least 50% of the Bank's donations will be for housing, economic development, financial capability, fair housing, small business support, and legal and other services for LMI people.

Supplier Diversity: The Bank plans to:

- Adopt and implement a formal corporate supplier diversity program by December 31, 2021 to enhance its commitment to this important objective. The Bank will seek to undertake outreach and partnership efforts with local economic development councils or chambers that support a mission to assist businesses from traditionally underserved communities.
- By 2026, strive to maintain a program with goals to contract at least 8% of its corporate supplier spending annually to locally-based businesses owned or led by members of historically underserved communities, such as minorities and women.

Management Diversity: The Bank plans to:

- have at least 25 percent of its leadership comprised of individuals from underrepresented groups (comprised of persons of color or women) or see an increase of at least 25 percent in underrepresented executives in leadership roles.
- Consistent with regulatory and privacy standards, make its management demographic data publicly available.

Ongoing Internal and External Engagement:

Over the term of this commitment, the Bank will share performance data and meet annually, or more frequently as needed, with Greenlining and CRC members to review and discuss progress in fulfilling the targets and goals established by this CRA Plan.

The Bank will also commit to the creation of a community advisory council that meets quarterly to review and discuss progress on SVB's ongoing community support goals.

The Bank is committed to continuing to meet the CRA needs of the diverse communities it serves. This CRA Plan is the result of active consultation and dialogue with the Greenlining Institute, the California Reinvestment Coalition, and their members.


This plan will be submitted, in an appropriate format, to the Federal Reserve Board and the states of California and Massachusetts, as appropriate, as part of the applications related to the proposed merger transaction between Silicon Valley Bank and Boston Private.

Each party hereto may execute by electronic means and recognizes and accepts the use of electronic signatures and records by any other party hereto in connection with the execution and storage hereof.

Signed:

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CEO, Silicon Valley Bank

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Board Chair, CRC