CRA Community Impact Goals

2024 – 2026

Mechanics Bank®

Mechanics Bank
Where Relationships Matter

CRA Community Impact Goals

Through its commitment to meeting the financial services, investment and lending needs of low- and moderate- income communities, including individuals and small businesses, Mechanics Bank established CRA Community Impact Goals for the benefit of its assessment area and regional initiatives, effective January 1, 2024 and through December 31, 2026. In connection with its acquisition of HomeStreet Bank, Mechanics Bank commits the following enhancements to its 2024-2026 Community Impact Goals for the state of California and agrees to either extend or renegotiate Community Impact Goals prior to the expiration of this agreement at the end of 2026. Certain goals, such as EQ-2 investment levels, will extend into 2028.

Mechanics strives to be a community partner through an ongoing commitment to goals achievement with community coalition alignment and support. To that end, Mechanics engaged in discussions with its existing key partner, Rise Economy, to formulate the following Community Impact Goals.

The objectives listed under the proposed goals are being presented to Rise Economy for their endorsement.

I. Mechanics Bank agrees to at least two meetings per year, individually with Rise Economy and with the Bank's CEO in attendance, to develop strategies to achieve the goals set herein. The Bank is further committed to maintenance of the Homeownership Advisory Council, to meet twice per year to inform Bank community development efforts, and to maintain Rise Economy representation with 50% of the seats on the Council. Additionally, Mechanics commits to annual FDIC reporting in accordance with Sunshine Disclosure and Reporting to the extent required by the Gramm-Leach-Bliley Act and implementing regulations.

II. Mechanics Bank commits to the following Lending Performance Targets for the years 2024, 2025 and 2026 and will strive to ensure the distribution of its lending reflects the diversity of its population within its assessment area:

    a. HMDA - $525MM, $625MM and $800MM
        i. The Bank further agrees to track its mortgage lending to LMI borrowers and neighborhoods, including MMCTs, set baselines post-merger, and discuss annual goals with Rise Economy and members.
    b. Small Business - $200MM, $225MM and $250MM
    c. Small Farm - $3MM, $3MM and $3MM
    d. Community Development - $125MM, $150MM and $175MM

III. Mechanics Bank commits to originating 65% of qualifying small business loans in amounts of $250M or less, with a majority of loans benefiting businesses with gross annual revenue of $1MM or less. The Bank will further commit to track, and strive to increase, annual small business lending to businesses with $250M or less in gross annual revenue. This will include new and developing businesses, those located in low- and moderate- income communities, and those that hire employees who live in low- and moderate-income communities. Additionally, Mechanics will:

a. Agree to continue establishing investments and/or partnerships with CDFIs providing SBA, FSA, USDA, and Farmer Mac products.
b. Maintain the Bank's small business loan referral program and partner with local community CDFIs and lenders for referral of at least 20% of declined small business loan applicants, not including those applicants that opt-out of the referral program.

IV. Mechanics Bank will continue to participate in SBA lending, including engagement with small business lending partners and alternatives, such as SBIC lending purchase opportunities. Most notably, the Bank commits to partnering with Nor-Cal FDC on their loan guarantee program for small business loans that do not meet internal underwriting criteria. For the years 2025-2026, Mechanics commits to $10MM and $15MM of SBA 504 lending and/or Nor-Cal FDC loan guarantee program participation, respectively.

V. Mechanics Bank will continue to provide its "MB Portfolio Homeowners Advantage Program" mortgage product, an affordable, low down-payment mortgage designed for creditworthy LMI borrowers with an expanded eligibility for LMI communities, as well as the FHLB WISH product. Mechanics Bank commits to developing by the end of 2026 a Downpayment Assistance Program for LMI borrowers purchasing their first home and offer throughout the Bank's footprint. The Bank will work both independently and in conjunction with trusted local community partners, including the Richmond Community Foundation, Richmond Neighborhood Housing Services and the SW Fresno Development Corporation, as well as strive to identify and develop key partners who play a similar role in the HomeStreet Southern California footprint, to market and conduct outreach in order to reach LMI communities regarding the Homeowners Advantage product's benefits and availability, and commit to $6MM in Homeowners Advantage Portfolio Product outstandings by the end of 2026.

VI. Mechanics Bank will continue its formal corporate supplier diversity policy and program to emphasize its commitment to this important objective. As may be available, Mechanics Bank will undertake outreach and partnership efforts with local economic development councils or chambers that support a mission to assist small businesses from traditionally underserved communities to provide, among other things, information or training in the area of procurement of and contracting for banking related services and products. By 2025, the Bank will strive to maintain a program with goals to contract at least 15% of its corporate supplier spending annually to locally based businesses owned by members of historically underserved communities and women.

VII. Mechanics Bank commits to increasing direct California donations from $2.5MM to $3MM, for 2025 and beyond, along with combined outstanding EQ-2, Social Impact Bonds, and Community Land Trust investments of $60MM. At least $250,000 of the $500,000 increase in donations will be committed each year to non-profit housing counseling agencies, including those led by and serving BIPOC people and communities, with 50% of such funds targeted to non-profit housing

counseling agencies in the Southern California HomeStreet footprint. At least 50% of total giving will be focused on affordable housing, economic development, small business technical assistance and financial literacy causes supporting LMI and underserved individuals, families and communities. Mechanics Bank will also report on "foregone interest," as the Bank's low interest rate offerings on EQ-2, SIB and CLT investments represent a material economic contribution to the Bank's non-profit partners. For the avoidance of doubt, foregone interest will not be counted towards the annual $3MM in direct donations commitment.

VIII. Mechanics Bank commits to maintaining over $400MM in CRA-qualifying investments, with a particular focus on growing EQ-2, SIB and CLT investments, along with CDs. The Bank also reiterates its commitment to fund $250M per year targeted to community development investment funds to fund grants supporting nonprofit, community-based small business lenders in California, including those that maintain loan-loss reserves. Investments will include:

a. Achieve $30MM in outstanding LIHTC by the end of 2026 and maintain that level moving forward.
b. Invest in $60MM, combined, of EQ-2s/SIBs/CLTs by the end of 2028 and maintain that level moving forward. $10MM of the $60MM commitment will be dedicated to investments in a fund or other vehicle to support Community Land Trusts in the acquisition and preservation of properties to ensure long-term affordability and to prevent displacement. Mechanics Bank tentatively pledges $5MM to the Community Ownership for Community Power Fund (COCP) subject to better understanding the structure, interest rates and subordination of COCP.
c. Good faith efforts to issue a second Social Impact Bond in Fresno (already underway).
d. Prioritization of investments and donations to support: capacity building of non-profits (including faith-based organizations), housing trust funds; manufactured housing projects; broadband and digital equity initiatives; programs to promote environmental sustainability and resilience targeted in the Southern California HomeStreet footprint (up to $1MM); Native and Tribal communities (up to $2.5MM); and CDFIs, SBA microloan intermediaries or other mission driven non-profits led by and serving BIPOC people and communities that offer microloans to small businesses.
e. Commit $5MM in deposits to the Public Bank of the East Bay (PBEB). If PBEB is unable to accept deposits by the end of 2027, the Bank will commit a total of $5MM in deposits to another Minority Depository Institution, Community Development Financial Institution or other mission-driven bank (or banks), in consultation with Rise Economy.

IX. Mechanics Bank will continue to provide retail financial services that meet the needs of low- and moderate-income families in its assessment area. This includes checking account fee waivers for direct deposit and expanded access to Individual Development Accounts (IDAs). The Bank will not diminish the suite of products currently available to Individual Taxpayer Identification Number

holders, will explore additional product offerings and services in the future, and will expand its efforts to provide branch service, outreach and deposit materials in Spanish.

X. Mechanics Bank will continue to waive out of network surcharge fees to users of California Electronic Benefits Transfer cards (EBT) or its successor payment system.

XI. Mechanics Bank will take further steps to market our Lift loans among our community partners, including by convening at least one meeting of local partner organizations to discuss the product and strategies for connecting it to those in need. In addition, we will lower the minimum FICO to 640 and reduce the interest rate to a maximum of 13.99% with a Mechanics Bank checking account with auto-debit (14.99% without auto-debit), which is well-below what a typical credit card charges.

XII. Mechanics Bank will provide $100M annually to support funding and capacity building programs that advance the economic stability of Black, Indigenous, and People of Color (BIPOC) small business owners, micro-entrepreneurs, and families.

XIII. Mechanics Bank will not close any HomeStreet branches as a result of the merger. If a branch is relocated, Mechanics commits to maintaining its current proportion of branches in rural, LMI, minority and/or underserved communities. The Bank agrees to open at least one free ATM in the Coachella Valley in 2025 (successfully achieved Mecca ATM opening on May 28, 2025) and will explore the opening of one additional full-service branch in a low-income neighborhood of color in California by the end of 2026, should there be material deposit support from local community partners to provide a foundation for such an opening.

XIV. Rise Economy commits to collaborating with Mechanics by referring high quality organizations whose mission and purpose align with the goals and commitments outlined within our Community Impact Goals Agreement.

The Mechanics Bank CRA Community Impact Goals commitment is endorsed on September 30, 2025 and signed by:

MECHANICS BANK

By: CJ Johnson
President and Chief Executive Officer

RISE ECONOMY

By: Paulina Gonzalez-Brito
Chief Executive Officer