

PUBLIC DISCLOSURE

June 11, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Desjardins Federal Savings Bank
Docket #: 9702**

**1001 East Hallandale Beach Boulevard
Hallandale, Florida 33009**

**Office of Thrift Supervision
Southeast Region
1475 Peachtree Street, NE, Atlanta, GA 30309**

NOTE: This evaluation is not, nor should it 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.



Office of Thrift Supervision

Department of the Treasury

Southeast Region

Atlanta Regional Office • Telephone: (404) 888-0771
1475 Peachtree Street, NE, Atlanta, GA 30309

July 30, 2001

Board of Directors
Desjardins Federal Savings Bank
1001 East Hallandale Beach Boulevard
Hallandale, Florida 33009

Members of the Board:

Enclosed is Desjardins Federal Savings Bank's written Community Reinvestment Act (CRA) Performance Evaluation prepared by the Office of Thrift Supervision as of June 11, 2001. Pursuant to the provisions of the CRA and OTS regulations (12 C.F.R. 563e), this evaluation, and your institution's CRA rating as contained therein, must be made available to the public by your institution.

This evaluation is being transmitted separately from the Compliance Report of Examination to alleviate the potential for any misunderstanding regarding which document your institution must make public. It is the enclosed evaluation that must be publicly available; the Compliance Report of Examination may not be released to the public.

In accordance with 12 C.F.R. 563e, this written CRA Performance Evaluation must be made available to the public within 30 business days of its receipt by your institution. The evaluation must be placed in your CRA public file located at your home office and each branch within this 30 business day time frame. The evaluation may not be altered or abridged in any manner. At your discretion, previous written CRA Performance Evaluations(s) may be retained with the most recent evaluation in your CRA public file.

Your institution is invited to prepare a response to the evaluation. The response may be placed in each CRA public file along with the evaluation. In the event your institution elects to prepare such a response, please forward a copy of it to this office.

All appropriate personnel, particularly customer contact personnel, need to be aware of the responsibilities that the institution has to the public with regard to making this evaluation available. Consequently, we suggest that your institution review internal procedures for handling CRA inquiries, including those pertaining to the evaluation and other contents of the CRA public file.

We strongly encourage the Board of Directors, senior management, and other appropriate personnel to review this document and to take an active interest and role in the CRA activities of your institution.

Sincerely,

Dennis Jackson
Compliance Examination Manager

Enclosure

Table of Contents

GENERAL INFORMATION 1

INSTITUTION 2

 OVERALL RATING 2

 DESCRIPTION OF INSTITUTION 3

 DESCRIPTION OF ASSESSMENT AREA 4

 CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS 6

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of Desjardins Federal Savings Bank prepared by the Office of Thrift Supervision (OTS), the institution's supervisory agency, as of June 11, 2001. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 563e.

General Information (continued)

INSTITUTION'S CRA RATING: This Institution is rated "Outstanding record of meeting community credit needs¹."

During the current review period overall loan volume, including lending inside the assessment area, has been moderately strong. Approximately 69 percent of the residential mortgage loans originated and purchased during the review period were secured by properties located within the assessment area. The Institution's loan-to-deposit ratio averaged approximately 62 percent during the review period, which was an increase from the prior review and considered acceptable. The percentage volume of residential lending to low-income borrowers was favorable compared to 1999 aggregate HMDA data and comparable to the demographic benchmark (less families below the poverty line). Residential lending to moderate-income borrowers was comparable to both the demographic benchmark and 1999 aggregate HMDA data. Desjardins made no residential loans in low-income census tracts in the assessment area during the review period; however, this was not considered a negative factor due to the small amount of owner-occupied housing stock in those areas, as well as the limited demand for loans. The percentage volume of moderate-income tract lending in the area was favorable compared to both the demographic benchmark and 1999 aggregate HMDA data. Desjardins began an SBA loan program during the review period and it offers several special purpose credit programs.

Desjardins has significant qualified investments and services, which, as a small institution, greatly enhances its CRA rating. The Institution is a founder and active member of a local consortium of lenders that grants zero-interest loans to community development corporations for affordable housing properties. The president of Desjardins is the principal administrator of the consortium.

Desjardins had \$129,500 in qualified investments, including its capital contribution to the aforementioned lending consortium, and also \$104,500 in an affordable housing revenue bond.

Comment [OTS1]: Page: 2
Summarize the major factor supporting the institution's rating. When illegal discrimination or discouragement has been identified and has affected the rating, the summary should include a statement that the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The summary should not mention any technical violations of the antidiscrimination laws.

Comment [OTS2]: Page: 2
Summarize the major factor supporting the institution's rating. When illegal discrimination or discouragement has been identified and has affected the rating, the summary should include a statement that the rating was influenced by violations of the substantive provisions of the antidiscrimination laws. The summary should not mention any technical violations of the antidiscrimination laws.

¹ The preceding examination CRA review, as of September 22, 1997, resulted in a "Satisfactory" rating.

General Information (continued)

Description Of Institution

Desjardins Federal Savings Bank (Desjardins) is a \$102.42 million, federally chartered savings bank located in Hallandale, Florida (southeastern corner of Broward County). The single depository office facility is located in a moderate-income census tract, based upon 1990 census data. The Institution was created in 1992 in order to serve seasonal Canadian tourists and full-time residents in South Florida. Desjardins is wholly owned by Desjardins FSB Holdings, Inc., a shell corporation, which is a wholly owned subsidiary of Caisse centrale Desjardins, a \$10.1 billion cooperative institution in Montreal, Quebec, Canada, which acts as a financial agent for the Desjardins Group. Desjardins originates and purchases single-family residential loans, although a moderate amount of commercial and consumer loans were closed during the review period.

Comment [OTS3]: Page: 3
 Briefly describe the institution's ability to meet various credit needs based on its financial condition and size, product offerings, prior performance, legal impediments and other factors. Information that may be important includes relationships with a holding company and its affiliates, total assets, asset/loan portfolio mix, primary business focus, branching network, and any merger or acquisition activity.

As of March 31, 2001, Desjardins' major categories of its total assets were as follows:

Major Components of Total Assets As of March 31, 2001 ²		
ASSET TYPE	BALANCE SHEET \$ AMOUNT	% OF TOTAL ASSETS ³
Loans		
1-4 Family Permanent Mortgage	29,307,000	28.62
Commercial Loans	7,174,000	7.00
Investments		
Mortgage Derivative Securities	46,244,000	45.15
US Govt. & Agency Securities	12,685,000	12.39

The examination disclosed no factors that would adversely affect the Institution's ability to meet community credit needs during the review period. However, it is noted that there is intense competition and a large number of lenders in the area of the Institution's main office. Further, Management reports that the Institution faces misperception from the general public that Desjardins is a "foreign bank" and the employees do not speak English (most employees actually speak both French and English).

² Selected portions of the Institution's asset balance sheet as reported on the March 31, 2001, OTS Thrift Financial Report ("TFR"). Asset categories are reported net of any specific valuation allowances, loans-in-process, and unamortized yield adjustments.

³ Total assets as of March 31, 2001, as reported on the TFR, were \$102,415,000.

General Information (continued)

Description Of Assessment Area

Desjardins has delineated as its assessment area a portion of the Miami-Fort Lauderdale, Florida CMSA (CMSA number 4992). The component areas of the CMSA are comprised of the Fort Lauderdale PMSA (PMSA number 2680, Broward County) and the Miami PMSA (PMSA number 5000, Miami-Dade County). Specifically, this area includes approximately the eastern half of Broward County and a small northeastern portion of Miami-Dade County. The assessment area encompasses 183 census tracts, 161 of which are in Broward County and 22 in Miami-Dade County. The Institution's sole office is located in Broward County, near the Miami-Dade County border. While Desjardins did not include all of the two counties in its assessment area, the adjustments made by the Institution appear reasonable and in conformity to regulatory guidelines given its small asset size and office location.

Comment [OTS4]: Page: 3
Briefly describe the assessment area(s) under review by including appropriate information (and any trends) on the population, median income, employment including major employers, and community credit needs and business opportunities identified through outreach activities. Include, as appropriate, a discussion of the number and kinds of CRA-related community contacts that were consulted and relevant information obtained and used, used, if any, in the CRA evaluation.

General Information (continued)

Demographic data on the assessment area is included in the following table:

ASSESSMENT AREA - DEMOGRAPHIC INFORMATION						
Portion of Miami-Fort Lauderdale CMSA						
		TRACT INCOME LEVEL				
		TOTAL ⁴	LOW	MODERATE	MIDDLE	UPPER
CENSUS TRACTS	#	182	9	33	93	47
	%	100.00%	4.95%	18.13%	51.10%	25.82%
POPULATION BY LOCATION	#	1,416,377	40,850	235,995	802,415	337,117
	%	100.00%	2.88%	16.66%	56.65%	23.80%
FAMILIES BY INCOME LEVEL	#	379,280	8,778	57,343	218,643	94,516
	%	100.00%	2.31%	15.12%	57.65%	24.92%
% BELOW POVERTY LEVEL	%	7.25%	38.23%	15.45%	5.69%	3.03%
HOUSING UNITS BY CENSUS TRACT	#	707,080	15,656	112,173	403,417	175,834
	%	100.00%	2.21%	15.86%	57.05%	24.87%
AVERAGE H.U./C.T.⁵	#	3,885	1,740	3,399	4,338	3,741
% OWNER OCCUPIED⁶	%	56.94%	25.51%	46.34%	59.09%	61.56%
% RENTER OCCUPIED	%	27.18%	61.81%	37.37%	26.74%	18.59%
% VACANT	%	15.89%	12.68%	16.29%	14.17%	19.85%
AVERAGE O.O.H.U./C.T.⁷	#	2,212	444	1,575	2,563	2,303
MEDIAN HOUSING VALUE	\$	\$114,939	\$52,508	\$68,487	\$103,168	\$177,140
MEDIAN AGE OF HOUSING	#	18	25	22	17	15

Median family income in the Fort Lauderdale PMSA was \$56,900 during 2001, \$54,500 in 2000, \$53,200 in 1999, and \$36,801 during 1990. Median family income in the Miami-Dade PMSA was \$45,600 during 2001, \$43,700 in 2000, \$42,400 in 1999, and \$31,113 in 1990.

⁴ Does not include one census tract in the assessment area that has a median family income of zero, a population of 676, and no housing units.

⁵ Average number of housing units per census tract.

⁶ As a percentage of all housing units in each income level bracket.

⁷ Average number of owner-occupied housing units per census tract.

General Information (continued)

Conclusions With Respect To Performance Tests

The examination review period, unless otherwise specified, is calendar years 1998, 1999, 2000, and YTD 2001 (through March 31st).

LOAN-TO-DEPOSIT RATIO

In order to assess the Institution’s performance under the requirements of the small institution performance standards, an analysis was performed of the ratio of Desjarsins’ loan portfolio to total deposits for each quarter during the review period. Lending volume was also reviewed. Results of these reviews were compared to OTS Southeast Region peer group median data.

The following table summarizes the Institution’s loan-to-deposit (LTD) ratio during the review period:

Desjardins - Loan-to-Deposit Ratio			
Quarter Ending	Institution's Loan-to-Deposit Ratio	Peer Median Loan-to-Deposit Ratio	Institution Percentile of Peer
September 1997	61.08	83.31	11
December 1997	63.93	84.66	15
March 1998	64.80	81.63	19
June 1998	63.56	81.62	19
September 1998	65.01	80.93	24
December 1998	64.20	79.35	25
March 1999	62.06	76.41	23
June 1999	66.48	80.25	32
September 1999	63.59	79.89	26
December 1999	61.08	80.07	20
March 2000	60.70	90.93	12
June 2000	70.21	90.60	16
September 2000	75.77	91.04	17
December 2000	37.04	97.70	2
March 2001	43.47	97.01	3
Review Period Average	61.53%	85.03%	

Comment [OTS5]: Page: 3
Discuss the institution’s overall CRA performance. The facts, data, and analyses that were used to form a conclusion about the rating should be reflected in the narrative, including institution strengths and areas for improvement. The narrative should clearly demonstrate how the results of each of the performance test analyses and relevant information from the performance context factored into the overall institution rating. Charts and table should be used whenever possible to summarize and effectively present the most critical or informative data used by the examiner in analyzing the institution’s performance and reaching conclusions.

General Information (continued)

Based upon the above data, Desjardins' average LTD ratio for the 15 quarters ended March 31, 2001, was 61.53 percent, which was lower than the peer group average of 85.03 percent over the same time period. The Institution ranks on the low end as to the percentile of the peer group. The LTD showed some growth throughout the review period, however, a sharp decrease occurred during the December 2000 quarter. This was a result of a large increase in deposits (approximately \$45 million) from an affiliate bank. Nevertheless, the Institution meets standards for a satisfactory rating under this performance criteria.

LENDING ACTIVITY

The following table details Desjardins' lending origination and purchase activity during the 39-month review period of January 1, 1998, through March 31, 2001.

LENDING VOLUME: 1/1/98 – 3/31/2001 (from UTPR⁸)				
Loan Type	\$ Amount	% of Total Lending	% of Average Assets	Annualized % of Average Assets⁹
Permanent Mortgages: 1-4 Residential	15,171,000	36.71	25.05	7.71
Permanent Mortgages: Non-Residential	2,020,000	4.89	3.34	1.03
Subtotal: Mortgage Originations	17,191,000	41.60	28.39	8.74
Mortgage Purchases: Residential	9,400,000	22.75	15.52	4.78
Subtotal: Mortgage Purchases	9,400,000	22.75	15.52	4.78
Commercial Loans	12,767,000	30.90	21.08	6.49
Consumer Loans	1,964,000	4.75	3.24	1.00
Subtotal: Other Lending	14,731,000	35.65	24.33	7.49
Total Lending	\$41,322,000	100.00%	68.24%	21.00%

⁸ Uniform Thrift Performance Report - a compilation of data from the Institution's quarterly Thrift Financial Report ("TFR") presented in a comparison format to median peer group information derived from the TFRs of other OTS regulated savings institutions in the OTS Southeast Region.

⁹ Average assets of \$60,556,000 calculated on a "four point" method using the Institution's total assets at December 31 for each of the years 1997 (\$43,108,000), 1998 (\$43,414,000), 1999 (\$49,921,000), and 2000 (\$105,782,000).

General Information (continued)

The Institution's overall loan volume (as a percent of average assets annualized) is considered strong. Origination volume of 1-4 family residential loans, supplemented by purchased loans, is considered moderately strong for a portfolio lender that rarely uses brokers to generate loan applications.

The following table compares Desjardins' lending volume during the review period to the Institution's asset-size peer group¹⁰ in the Southeast Region of OTS, based on information contained in the quarterly Thrift Financial Reports filed by all the institutions in the peer group.

¹⁰ Total assets between \$100 million and \$300 million for years 2001 and 2000; total assets less than \$50 million for years 1999 and 1998.

General Information (continued)

Months in Period	3			12			12			12		
Mo./Yr., Period End	3/2001			12/2000			12/1999			12/1998		
No. of S&Ls in Peer Group	62			63			51			58		
Loan Type	Instit. % Total Assets ¹¹	Peer Group Median % TA ¹²	Instit. Percent Rank	Instit. % TA	Peer Group Median % TA	Instit. Percent Rank	Instit. % TA	Peer Group Median % TA	Instit. Percent Rank	Instit. % TA	Peer Group Median % TA	Instit. Percent Rank
Perm. Mtgs. 1-4 Res.	1.23	1.83	30	8.80	10.68	37	12.65	11.97	54	9.25	15.85	32
Perm. Mtgs. NonRes.	0.00	0.17	19	3.07	1.59	64	1.12	0.76	59	0.00	0.15	25
Subtotal Mtg. Origin.	1.23	4.82	14	11.87	21.75	24	13.77	16.76	40	9.25	20.57	19
Mtg. Purchases: 1-4 Family Residential	3.18	0.00	90	10.82	0.00	91	0.00	0.00	37	1.47	0.00	92
Subtotal Mtg. Purch.	3.18	0.00	90	10.82	0.00	91	0.00	0.00	37	1.47	0.00	92
Commercial loans	1.12	0.20	74	9.74	0.82	91	9.74	0.00	88	5.79	0.00	92
Consumer Loans	0.09	0.46	15	1.44	2.29	32	1.34	0.61	61	1.32	0.74	55
Subtotal Other Loans	1.21	1.01	53	11.19	5.53	79	11.07	1.52	86	7.11	1.13	80
TOTALS	5.62%	5.83%	/	33.88%	27.28%	/	24.84%	18.28%	/	17.83%	21.70%	/

¹¹ Total Assets at the beginning of the period.

¹² Peer group median subtotals and totals do not sum precisely due to the nature by which the median is calculated.

Institution

As shown in the table on the preceding page, Desjardins originates a small volume of 1-4 family residential loans, compared to the peer group. However, purchased loan activity is stronger than peer. Additionally, “other loans,” including commercial and consumer loan origination volume, was stronger than peer. Overall loan volume was slightly higher than peer during years 1999 and 2000, comparable to peer during the first quarter of 2001, and lower than peer during 1998.

ASSESSMENT AREA CONCENTRATION

During the 39-month review period, Desjardins originated or purchased 265 HMDA-reportable residential mortgage loans (172 originations and 93 purchased loans). The examiner analyzed HMDA Loan/Application Registers (L/ARs) in order to determine the portion of lending in the assessment areas. A summary of the Institution’s HMDA lending activity during the review period is show in the table below:

Residential Mortgage Loan Originations and Purchases During the Examination Review Period 01/01/1998 through 3/31/2001				
	Number	% of Number	Dollar Volume	% of Dollar
Lending Inside Assessment Areas	182	68.68	14,748,000	59.45
Lending Outside Assessment Areas	83	31.32	10,059,000	40.55
TOTALS →	265	100.00%	\$24,807,000	100.00%

As shown in the chart above, 68.68 percent of the number of residential mortgage loans originated during the review period were secured by properties located within the assessment area (59.45 percent based on the dollar volume). The volume of lending inside of the assessment area was considered moderately favorable.

Institution (continued)

Based upon the review, the Institution meets standards for a satisfactory rating under this performance criteria.

LENDING TO BORROWERS OF DIFFERENT INCOMES

Residential Lending

The results of the examiner’s analysis of Desjardins’ record of HMDA-reportable residential mortgage lending to individuals of different income levels, within the assessment area, is presented in the following table. Results are compared to the demographic benchmark of families residing anywhere in the assessment areas categorized by their median family income (1990 census data) and also 1999 aggregate HMDA data.

Borrower Income Levels	Desjardins’ HMDA Loan Volume: 01/01/1998 to 3/31/2001 in the Assessment Area				Benchmarks	
	Number of Loans ¹³	Percent of Number	Dollar Amount	Percent of Dollar Amount	1990 Percent of Families ¹⁴	1999 Aggregate HMDA ¹⁵
Low = <50%	17	12.50	388,000	3.74	19.39	8.75
Moderate = 50-79%	26	19.12	918,000	8.84	18.08	20.37
Middle = 80-119%	23	16.91	1,345,000	12.95	22.31	24.38
Upper = ≥ 120%	70	51.47	7,732,000	74.47	40.22	46.50
Total	136	100.00%	\$10,383,000	100.00%	100.00%	100.00%

The above table indicates that the Institution’s HMDA-reportable lending, by percent of the number of loans, to low-income borrowers in the assessment area was favorable compared to aggregate HMDA data. Low-income borrower lending was comparable to the demographic benchmark, after consideration of the percent of families in the area with incomes below the poverty line (7.25 percent). Lending to moderate-income borrowers was slightly more favorable than the demographic benchmark and comparable to the 1999 aggregate HMDA data percentage.

Based on the review, the Institution meets standards for a satisfactory rating under this performance criteria.

¹³ 46 loans (mostly purchases), totaling \$4.4 million, did not have borrower income reported on the LAR and are not included in this table.

¹⁴ 7.25 percent of the families in the assessment area have incomes below the poverty line.

¹⁵ The percentage of the number of conventional loans originated in each of the borrower income categories by OTS/OCC/FDIC/Federal Reserve HMDA-reporting lenders in the assessment area during 1999 only. Aggregate lending numbers for 2000 are not yet available.

Institution (continued)

GEOGRAPHIC DISTRIBUTION OF LENDING

Residential Lending

The following table summarizes Desjardins' lending in the assessment area by census tract income designation during the review period for HMDA-reportable mortgage loans. Results for mortgage lending are compared to the percentage of homeownership by census tract income level, based upon 1990 census data, and the aggregate results of all HMDA reporters that originated residential mortgage loans within the assessment area during 1999.

Income Level of Census Tract	Desjardins' HMDA Loan Volume: 01/01/1998 to 03/31/2001 - In the Assessment Areas				Benchmarks	
	Number of Loans	Percent of Number	Dollar Amount	Percent of Dollar Amount	1990 Percent of O.O.H.U. ¹⁶	1999 Aggregate HMDA Data ¹⁷
Low = <50%	0	0.00	0	0.00	0.99 ¹⁸	0.81
Moderate = 50-79%	36	19.78	2,108,000	14.29	12.91	8.57
Middle = 80-119%	104	57.14	7,283,000	49.38	59.21	54.41
Upper = ≥ 120%	42	23.08	5,357,000	36.32	26.89	36.21
Total	182	100.00%	\$14,748,000	100.00%	100.00%	100.00%

As shown in the table above, there were no loans made in the low-income geographies in the assessment area during the review period. However, given the small amount of owner-occupied housing stock in these areas, the high poverty level, and also the relatively small number of loans made by all lenders during 1999 in those areas, the lack of low-income tract lending by Desjardins was not considered unreasonable.

The Institution's percentage level of residential lending in moderate-income census tracts in the assessment area during the review period, by number of loans, was favorable compared to both the demographic benchmark and 1999 aggregate HMDA data.

Considering the above, the examiner concludes that the Institution exceeds standards for a satisfactory performance for lending to borrowers of different incomes.

¹⁶ Owner Occupied Housing Units. The numbers in this column represent the distribution percentage of owner occupied housing units in census tracts by income level, to the total number of owner occupied housing units in the assessment area.

¹⁷ The percentage of the number of conventional loans originated in each of the census tract income categories by all OTS/OCC/FDIC/Federal Reserve HMDA-reporting lenders in the assessment area during 1999 only. Aggregate lending numbers for 2000 are not yet available.

¹⁸ 38.23 percent of the families residing in low-income census tracts in the assessment area have incomes below the poverty line.

Institution (continued)

SMALL BUSINESS LENDING

The Institution is a participant in the Small Business Administration (SBA) loan program. Since the preceding examination, the Institution has originated five SBA loans totaling \$405,700. These loans are in the assessment area. Desjardins also originates other “small business” loans (not through the SBA). During the review period, the Institution originated 36 small business loans totaling \$4.7 million. The majority of these loans are in the assessment area. Additionally, Desjardins continues to own two SBA loan pools (investments) totaling \$59,149.

SPECIAL PURPOSE CREDIT PROGRAMS

Desjardins grants loans to owners of cooperative (co-op) residential units. Management reports that few area lenders originate this type of loan due to the small size, which are particularly appealing to LMI residents. The average loan size is \$34,198. During the review period, the Institution originated 11 co-op loans totaling \$376,175 (all HMDA-reportable). The majority of these loans were made within the assessment area.

Desjardins grants and purchases residential loans with loan-to-value ratios over 80 percent. This type of loan normally requires mortgage insurance. However, loans up to 95 percent LTV are occasionally granted or purchased without a mortgage insurance requirement. As of December 31, 2000, the Institution had 20 such loans (all HMDA-reportable) on its books totaling \$1,167,802. This total includes two interest-free Habitat for Humanity loans, which were made to two very low-income families.

INVESTMENTS AND SERVICES

The Institution continues to hold a “qualified investment” of \$25,000 in stock in The Community Reinvestment Group, LLC (CRG). Founded in July 1995, Desjardins is one of the founding members. The CRG is not-for-profit consortium of area financial institutions, which provides flexible underwriting and zero-interest loans to area community development corporations and other non-profit groups for the development of LMI affordable housing. There are 18 member institutions in the CRG, which has \$985,000 in capital and is used to fund loans to CDCs. Since its inception, Management reports that the CRG has granted \$2 million in loans to various CDCs. These CDCs use the loan funds to acquire and rehabilitate distressed residential properties in Dade, Broward, and Palm Beach counties for occupancy by qualified very low-income families. The functional responsibilities of running the CRG are divided among the member financial institutions. The president of Desjardins is particularly active in the CRG, hosting and chairing monthly member meetings, developing the agenda and minutes, approving loans, maintaining corporate records, and serving as liaison for legal and accounting matters.

Comment [OTS6]: Page: 3

Write a paragraph about the institution's record of complying with the antidiscrimination laws (ECOA, FHA, or HMDA) using the following guidelines.

- When substantive violations involving illegal discrimination or discouragement are found by the OTS or identified through self-assessment(s), state that substantive violations were found, whether they caused the CRA rating to be adjusted downward, and why the rating was or was not adjusted. Identify the law(s) and regulation(s) violated, the extent of the violation(s) (e.g., widespread, or limited to a particular state, office, division, or subsidiary) and characterize management's responsiveness in acting upon the violation(s). Determine whether the institution has policies, procedures, training programs, internal assessment efforts, or other practices in place to prevent discriminatory or other illegal credit practices.

If no substantive violations were found, state that no violations of the substantive provisions of the antidiscrimination laws and regulations were identified. Even if discrimination has not been found, found, comments related to the institution's fair lending policies, procedures, training programs and internal assessment efforts may still be appropriate. If applicable, technical violations cited in the report of examination should be presented in general terms. Discuss whether management has (proposed/taken) steps that (have/would if implemented) address(ed) the technical violation(s).

Institution (continued)

On October 27, 1994, the Institution purchased a \$104,500 portion of a Broward County Housing Finance Authority revenue bonds, which funded qualifying affordable housing loans granted in the county. Although this investment was called on March 1, 2001, it was on the books for almost the entire review period.

RECORD OF COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified. In addition, during the review period the OTS did not receive any consumer complaints alleging discrimination on any prohibited basis.