

## State of Illinois

<b>CRA Rating for Illinois<sup>24</sup>:</b>	<b>Outstanding</b>
<b>The Lending Test is rated:</b>	<u>Outstanding</u>
<b>The Investment Test is rated:</b>	<u>Outstanding</u>
<b>The Service Test is rated:</b>	<u>High Satisfactory</u>

The major factors that support this rating include:

- Good volume of loans originated or purchased within the assessment areas;
- Excellent distribution of loans by geography and good distribution of loans by borrower income or business revenue size;
- Relatively high level of CD lending that has a positive effect on overall lending performance;
- Excellent level and responsiveness of qualified investments; and
- Accessible service delivery systems to low- and moderate-income geographies and individuals.

### Description of Institution's Operations in Illinois

The state of Illinois is Bank of America's seventh largest rating area based on its total deposits in the state when excluding the St. Louis, MO-IL Multistate MSA. Examiners excluded the St. Louis, MO-IL Multistate MSA from the analysis of the state of Illinois because examiners evaluated the multistate MSA as a separate rating area. As of June 30, 2016, the bank maintained approximately \$41.5 billion or 3.4 percent of its total domestic deposits in financial centers in areas of the state of Illinois that do not include the multistate MSA. Of the 508 depository financial institutions operating in the portion of the state of Illinois that excludes the multistate MSA, Bank of America, with a deposit market share of 9 percent, is the third largest. Competitors with deposit market shares greater than 5 percent include JP Morgan Chase Bank (18.3 percent), BMO Harris Bank (11.4 percent), and the Northern Trust Company (6.3 percent). The state of Illinois is the bank's seventh largest rating area for the bank's total domestic deposits. As of December 31, 2016, the bank operated 158 financial centers and 398 ATMs in the portion of Illinois that excludes the multistate MSA.

Examiners use the bank's deposit volume as an indicator of its capacity to lend and invest in its assessment areas. In some cases, not all deposits originated from the local community. In the Chicago-Naperville-Elgin, IL MSA, Bank of America reported an additional \$12.3 billion in deposits of national corporations, in which the funds originated from communities across the

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<sup>24</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.

nation and deposited in financial centers near the headquarters of these large corporations. Adjusting the bank's total deposits in the MSA by excluding these external deposits from the local deposit base gives a more accurate indicator of the bank's capacity in the assessment area.

Refer to the community profiles for the state of Illinois in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Illinois**

The bank has defined two assessment areas in the state of Illinois. Examiners selected the Chicago-Naperville-Elgin, IL MSA for a full-scope review and the Rockford, IL MSA for a limited-scope review. The Chicago-Naperville-Elgin, IL MSA accounts for 99.8 percent of the bank's deposits within the state of Illinois. During the evaluation period, Bank of America originated or purchased 41,110 home mortgage loans totaling \$10.1 billion, 45,842 small loans to businesses totaling \$1.5 billion, 122 small loans to farms totaling \$1.5 million, and 55 CD loans totaling \$343.4 million. Lending volumes include loans originated or purchased in the Illinois Non-MSA assessment area (Adams County), which the bank no longer designates as an assessment area due to the bank's closure or sale of all financial centers and deposit-taking ATMs in the county. Based on loan volume, examiners weighted small loans to businesses, representing 53 percent of the volume, the most followed by home mortgage loans at 47 percent, and small loans to farms at less than 1 percent.

Examiners conducted interviews with two local community organizations representing housing and policy research. The community contacts identified the following as some of the most pressing needs in their communities: mortgage loans, small loans to businesses, and bank branches in low- and moderate-income neighborhoods in Chicago. The perception is that banks have avoided low- and moderate-income neighborhoods in favor of neighborhoods where banks can originate larger loan amounts that are more profitable. A nonprofit CDFI with a 43 percent market share in a community further illustrates the absence of banks in the community.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS**

### **LENDING TEST**

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

Bank of America's performance under the Lending Test in the state of Illinois is rated Outstanding, based on good lending activity, excellent geographic distribution, good borrower income distribution, and relatively high levels of CD lending that have a positive effect on the Lending Test rating. Performance in limited-scope assessment areas has a neutral effect on the state rating.

## Lending Activity

Based on total lending volume in Table 1, peer deposit and loan data for 2016, and relevant performance context considerations, the bank’s lending activity in the state of Illinois is good. Lending activity is good in the Chicago-Naperville-Elgin, IL MSA and excellent in the limited-scope assessment area.

### Chicago-Naperville-Elgin, IL MSA

Lending activity in the Chicago-Naperville-Elgin, IL MSA is good. Based on FDIC deposit data as of June 30, 2016, Bank of America has a deposit market share of 11 percent. The bank ranks third among 181 depository financial institutions in the assessment area, which places it in the top 2 percent of institutions. Adjusting for the \$12.3 billion in corporate deposits, the bank’s deposit market share would decline to 8 percent, but its ranking would remain unchanged. According to peer mortgage data for 2016, the bank has a market share of 1.7 percent based on the number of home mortgage loans originated or purchased. The bank ranks 10<sup>th</sup> among 906 home mortgage lenders, which places it in the top 2 percent of lenders. According to peer small business data for 2016, the bank has a 5.2 percent market share of small loans to businesses based on the number of small loans to businesses originated or purchased. The bank ranks sixth among 217 small business lenders, which places it in the top 3 percent of lenders. For small loans to farms, the bank has a market share of 1.9 percent based on the number of small loans to farms originated or purchased. The bank ranks 13<sup>th</sup> among 43 farm lenders, which places it in the top 31 percent of lenders. Considering the bank’s ranking among all lenders for home mortgage loans and small loans to businesses relative to its ranking for deposits, overall lending activity is good.

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: January 1, 2012 to December 31, 2016				
MA/Assessment Area	% 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***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
<b>Full Review</b>												
Chicago, IL	97.68	39,936	9,995,978	45,016	1,466,379	105	1,189	54	333,832	85,111	11,797,378	99.82
<b>Limited Review</b>												
Rockford, IL	2.13	1,118	124,896	728	12,595	9	54	1	9,600	1,856	147,145	0.18
Illinois Non-MSA	0.19	56	6,146	98	1,626	8	253	0	0	162	8,025	0.00
<b>ILLINOIS</b>	<b>100.00</b>	<b>41,110</b>	<b>10,127,020</b>	<b>45,842</b>	<b>1,480,600</b>	<b>122</b>	<b>1,496</b>	<b>55</b>	<b>343,432</b>	<b>87,129</b>	<b>11,952,548</b>	<b>100.00</b>
(*) Loan data as of December 31, 2016. Rated area refers to either the state or multi-state MSA rating area.												
(**) The evaluation period for Community Development Loans is January 1, 2012 to December 31, 2016.												
(***) Deposit data as of June 30, 2016. Rated area refers to either the state or multi-state MSA as appropriate.												

## Distribution of Loans by Income Level of the Geography

The bank’s geographic distribution of loans reflects excellent penetration in low- and moderate-income geographies. For this analysis, examiners compared the bank’s HMDA-reportable loan originations and purchases, small loans to businesses, and small loans to farms with available demographic information. Examiners also considered any relevant performance context information and aggregate lending data.

### Home Mortgage Loans

Refer to Table O for the facts and data used to evaluate the geographic distribution of the bank’s originations/purchases of home mortgage loans.

The overall geographic distribution of home mortgage loans is good. The distribution is good in the Chicago-Naperville-Elgin, IL MSA.

#### Chicago-Naperville-Elgin, IL MSA

The geographic distribution of home mortgage loans in the Chicago-Naperville-Elgin, IL MSA is good. Performance is good in low-income geographies and good in moderate-income geographies. The distribution of home mortgage loans in low-income geographies at 2.8 percent is lower than the 3.8 percent of owner-occupied housing units in low-income geographies; however, it exceeds the 2.5 percent for aggregate lenders. The distribution in moderate-income geographies at 12.6 percent is lower than the 17.4 percent of owner-occupied housing units in moderate-income geographies; however, it exceeds the 12.3 percent for aggregate lenders.

**Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2014-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
FS Chicago-Naperville-Elgin IL-IN-WI MSA	13,853	4,104,472	97.6	300,156	3.8	2.8	2.5	17.4	12.6	12.3	38.4	33.5	35.8	40.4	51.1	49.4	0.0	0.0	0.0
LS Rockford IL MSA	336	36,783	2.4	8,889	4.0	4.8	1.4	19.2	20.2	13.0	45.6	46.4	47.8	31.2	28.6	37.9	0.0	0.0	0.0
<b>Total</b>	<b>14,189</b>	<b>4,141,255</b>	<b>100.0</b>	<b>309,045</b>	<b>3.8</b>	<b>2.8</b>	<b>2.4</b>	<b>17.5</b>	<b>12.8</b>	<b>12.4</b>	<b>38.7</b>	<b>33.8</b>	<b>36.2</b>	<b>40.0</b>	<b>50.6</b>	<b>49.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S. Census ; 01/01/2014 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

### Small Loans to Businesses

Refer to Table Q for the facts and data used to evaluate the geographic distribution of the bank’s originations/purchases of small loans to businesses.

The overall geographic distribution of small loans to businesses is excellent. The distribution is excellent in the Chicago-Naperville-Elgin, IL MSA.

#### Chicago-Naperville-Elgin, IL MSA

The geographic distribution of small loans to businesses in the Chicago-Naperville-Elgin, IL MSA is excellent. The distribution is good in low-income geographies and excellent in moderate-income geographies. The geographic distribution in low-income geographies at 3.1 percent is lower than the 4.3 percent of businesses in low-income geographies and it is slightly lower than the 3.3 percent performance for aggregate lenders. The geographic distribution in moderate-income geographies at 17.2 percent is higher than the 15.2 percent of businesses in

moderate-income geographies and it exceeds the 14.4 percent performance for aggregate lenders.

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2014-16**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate	% Business	% Bank Loans	Aggregate
FS Chicago-Naperville-Elgin IL-IN-WI MSA	30,638	890,906	98.6	218,120	4.3	3.1	3.3	15.2	17.2	14.4	33.4	35.9	33.7	46.9	43.7	48.5	0.1	0.1	0.1
LS Rockford IL MSA	450	7,341	1.4	4,011	6.4	6.7	6.1	19.5	14.4	17.8	45.6	42.7	45.7	27.9	36.0	30.0	0.5	0.8	0.3
<b>Total</b>	<b>31,088</b>	<b>898,247</b>	<b>100.0</b>	<b>222,131</b>	<b>4.4</b>	<b>3.2</b>	<b>3.3</b>	<b>15.4</b>	<b>17.1</b>	<b>14.5</b>	<b>33.8</b>	<b>36.0</b>	<b>34.0</b>	<b>46.3</b>	<b>43.6</b>	<b>48.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

Source: 2016 D&B Data; 01/01/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Small Loans to Farms**

Refer to Table S for the facts and data used to evaluate the geographic distribution of the bank’s originations/purchases of small loans to farms.

The overall geographic distribution of small loans to farms is adequate. The distribution is adequate in the Chicago-Naperville-Elgin, IL MSA.

*Chicago-Naperville-Elgin, IL MSA*

The geographic distribution of small loans to farms in the Chicago-Naperville-Elgin, IL MSA is adequate, based on poor performance in low-income geographies and adequate performance in moderate-income geographies. The bank did not originate or purchase small loans to farms in low-income geographies where 2.4 percent of the farms are located. The performance for aggregate lenders was 0.7 percent. The geographic distribution in moderate-income geographies at 6.3 percent is lower than the 12.3 percent of farms in moderate-income geographies; however, it exceeds the 5.3 percent for aggregate lenders.

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography 2014-16**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
FS Chicago-Naperville-Elgin IL-IN-WI MSA	66	696	100.0	846	2.4	0.0	0.7	12.3	6.3	5.3	44.4	48.5	68.1	40.9	50.0	25.9	0.0	0.0	0.0
LS Rockford IL MSA	4	23	11.1	87	1.8	0.0	0.0	10.4	0.0	4.6	56.3	75.0	57.5	31.2	33.3	37.9	0.2	0.0	0.0
<b>Total</b>	<b>70</b>	<b>719</b>	<b>100.0</b>	<b>933</b>	<b>2.3</b>	<b>0.0</b>	<b>0.6</b>	<b>12.1</b>	<b>6.3</b>	<b>5.3</b>	<b>45.4</b>	<b>50.0</b>	<b>67.1</b>	<b>40.1</b>	<b>48.6</b>	<b>27.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2016 D&B Data; 01/01/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Lending Gap Analysis**

For areas receiving full-scope reviews, examiners noted no conspicuous or unexplained gaps in lending in low- and moderate-income geographies.

**Inside/Outside Ratio**

See the “Inside/Outside Ratio” section within the overall Scope of Evaluation.

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

The bank’s distribution of loans by borrower income and revenue size is good. For this analysis, examiners compared the bank’s HMDA-reportable loan originations and purchases, small business, and small farm lending with available demographic information. Examiners also considered any relevant performance context information and aggregate lending data.

**Home Mortgage Loans**

Refer to Table P for the facts and data used to evaluate the borrower distribution of the bank’s home mortgage loan originations and purchases.

The overall distribution of home mortgage loans by borrower income is good. The distribution is good in the Chicago-Naperville-Elgin, IL MSA.

**Chicago-Naperville-Elgin, IL MSA**

The distribution of home mortgage loans by borrower income in the Chicago-Naperville-Elgin, IL MSA is good. The distribution is adequate to low-income borrowers and good to moderate-income borrowers. The proportion of the bank’s home mortgage loans to low-income borrowers at 7.8 percent is lower than the 22.1 percent of low-income families in the MSA; however, it exceeds the 5.2 percent performance for aggregate lenders. The proportion of loans to moderate-income borrowers at 13.6 percent is lower than the 16.8 percent of moderate-income families in the MSA and it is slightly higher than the 13.5 percent performance for aggregate lenders.

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2014-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
FS Chicago-Naperville-Elgin IL-IN-WI MSA	13,853	4,104,472	97.6	300,156	22.1	7.8	5.2	16.8	13.6	13.5	19.7	18.5	19.8	41.4	46.8	46.4	0.0	13.3	15.2
LS Rockford IL MSA	336	36,783	2.4	8,889	21.6	14.3	5.5	17.5	17.6	16.8	21.8	19.3	20.1	39.1	21.1	35.6	0.0	27.7	21.9
<b>Total</b>	<b>14,189</b>	<b>4,141,255</b>	<b>100.0</b>	<b>309,045</b>	<b>22.1</b>	<b>7.9</b>	<b>5.2</b>	<b>16.8</b>	<b>13.7</b>	<b>13.6</b>	<b>19.7</b>	<b>18.5</b>	<b>19.8</b>	<b>41.3</b>	<b>46.2</b>	<b>46.1</b>	<b>0.0</b>	<b>13.7</b>	<b>15.4</b>

Source: 2010 U.S. Census ; 01/01/2014 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Small Loans to Businesses**

Refer to Table R for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to businesses.

The distribution of small loans to businesses with gross annual revenues of \$1 million or less is good overall. The distribution is good in the Chicago-Naperville-Elgin, IL MSA. The bank did not collect or consider the gross annual revenues in the underwriting of approximately 28 percent of its small loans to businesses.

*Chicago-Naperville-Elgin, IL MSA*

The distribution of small loans to businesses with gross annual revenues of \$1 million or less in the Chicago-Naperville-Elgin, IL MSA is good. Based on businesses with known revenues, the proportion of the bank’s small loans to businesses at 58.9 percent is lower than the 75.7 percent of businesses with gross annual revenues of \$1 million or less. Considering the bank’s distribution is higher than the 39.6 percent for aggregate lenders, overall performance is good.

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
FS Chicago-Naperville-Elgin IL-IN-WI MSA	30,638	890,906	98.6	218,120	75.7	58.9	39.6	7.1	12.8	17.2	28.3
LS Rockford IL MSA	450	7,341	1.5	4,011	75.4	50.7	41.5	6.9	16.0	17.7	33.3
<b>Total</b>	<b>31,088</b>	<b>898,247</b>	<b>100.0</b>	<b>222,131</b>	<b>75.7</b>	<b>58.8</b>	<b>39.6</b>	<b>7.1</b>	<b>12.9</b>	<b>17.2</b>	<b>28.4</b>

Source: 2016 D&B Data; 01/01/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Small Loans to Farms**

Refer to Table T for the facts and data used to evaluate the borrower distribution of the bank’s originations and purchases of small loans to farms.

The distribution of small loans to farms with gross annual revenues of \$1 million or less is adequate. The distribution is adequate in the Chicago-Naperville-Elgin, IL MSA. The bank did not collect or consider the gross annual revenues in the underwriting of approximately 33 percent of its small loans to farms.

*Chicago-Naperville-Elgin, IL MSA*

The distribution of small loans to farms with gross annual revenues of \$1 million or less in the Chicago-Naperville-Elgin, IL MSA is adequate. Based on farms with known revenues, the proportion of the bank’s small loans to farms at 54.5 percent is lower than the 92.2 percent of farms with gross annual revenues of \$1 million or less. The bank’s distribution slightly exceeds the 53.1 percent for aggregate lenders.

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
FS Chicago-Naperville-Elgin IL-IN-WI MSA	66	696	94.3	846	94.2	54.5	53.1	3.6	13.6	2.2	31.8
LS Rockford IL MSA	4	23	11.1	87	97.0	50.0	50.6	1.7	0.0	1.3	66.7
<b>Total</b>	<b>70</b>	<b>719</b>	<b>100.0</b>	<b>933</b>	<b>94.5</b>	<b>54.3</b>	<b>52.8</b>	<b>3.4</b>	<b>12.9</b>	<b>2.1</b>	<b>32.9</b>

Source: 2016 D&B Data; 01/01/2014 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

## Community Development Lending

CD lending has a positive effect overall on the bank’s Lending Test performance in the state of Illinois.

### *Chicago-Naperville-Elgin, IL MSA*

In the Chicago-Naperville-Elgin, IL MSA, CD lending has a positive effect on the lending performance in the assessment area. During the evaluation period, the bank originated 54 CD loans totaling \$333.8 million that primarily helped provide 1,820 units of affordable housing. CD lending represents 9.1 percent of the allocated Tier 1 Capital, after considering \$12.3 billion in deposits from national corporations in which the deposits did not derive from the local community.

Examples of CD loans include:

- The bank provided its annual commitment of \$18 million in funding to the Community Investment Corporation (CIC), which is a certified CDFI. The consortium provides funding for permanent loans on revitalized low- and moderate-income housing throughout Chicago. Bank of America’s \$72 million total commitment is the largest total dollar commitment in the CIC.
- The bank provided \$11.8 million in construction financing for the rehabilitation of 201 units of public housing under the HUD Rental Assistance Demonstration Conversion Program to Project-Based Section 8 housing in Evanston, IL. The project consists of two separate public housing developments. All units except two reserved for the onsite property managers are restricted to incomes at or below 60 percent of the area median income.
- The bank provided \$16.1 million in acquisition and construction financing for the complete gut rehabilitation of a 20-story former public housing building named “Fannie Emanuel Apartments” in Chicago, IL. The completed 181-unit building will have 180 units restricted to seniors aged 62 and over with incomes up to 60 percent of the area median income. One unit is reserved for the onsite property manager.

## Product Innovation and Flexibility

Bank of America offers various national and local flexible lending programs that have benefitted borrowers during the evaluation period. These include programs such as America’s



Home Grant, Affordable Loan Solutions, and Business Advantage Credit Line. The bank also participates with multiple organizations that provide flexible lending through NACA and other affordable housing programs. Within the state of Illinois, lending under the MHA and HARP programs accounted for 84 percent of the dollar volume of all loans under flexible lending programs.

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

Lending Test performance in the Rockford, IL MSA is consistent with the Outstanding Lending Test performance in the state of Illinois.

## **INVESTMENT TEST**

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

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

Bank of America's performance under the Investment Test in the state of Illinois is rated Outstanding. Investment performance is excellent in the Chicago-Naperville-Elgin, IL MSA. Performance in limited-scope assessment areas has a neutral effect on the state rating.

#### *Chicago-Naperville-Elgin, IL MSA*

In the Chicago-Naperville-Elgin, IL MSA, the bank has an excellent level of CD investments. The bank made 651 CD investments during the current evaluation period totaling \$457.3 million. Approximately \$419.2 million or 92 percent of the current period investment dollars supported nearly 3,900 units of affordable housing. In addition, the bank has 148 CD investments totaling \$118 million it made during a prior evaluation period that are still outstanding and continue to provide benefit to the community. Prior period and current period investments total \$575.4 million or 15.7 percent of allocated Tier 1 Capital, after considering the \$12.3 billion in deposits that did not originate from the assessment area. The majority of current period investments are innovative or complex with LIHTCs and New Markets Tax Credits representing approximately \$243.8 million or 53 percent of the investment dollars.

Examples of community development investments include:

- The bank invested \$9.6 million in a LIHTC to fund the substantial rehabilitation and historic preservation of the 1704 N. Humboldt project located in the Humboldt Park neighborhood of Chicago, IL. The 1920's courtyard building has 29 units of affordable housing. The development has all units occupied and under Section 8 contracts.
- The bank invested \$12 million in a LIHTC for the construction of 65<sup>th</sup> Infantry Regiment Veterans Housing, a new 49-unit multifamily housing project in Chicago, IL. All units, except one reserved for the onsite property manager, are restricted to veterans and families with incomes at or below 60 percent of the area median income.

- The bank invested \$3.2 million in a joint venture to acquire investments in partnerships that own affordable housing projects financed with LIHTCs. This \$3.2 million represents the portion of funding applied toward the Amberton Apartments LIHTC project, located in Bolingbrook, IL.

QUALIFIED INVESTMENTS		Geography: ILLINOIS				Evaluation Period: January 1, 2012 to December 31, 2016			
	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
MA/Assessment Area	#	\$(000s)	#	\$(000s)	#	\$(000s)	% of Total \$'s	#	\$(000s)
<b>Full Review</b>									
Chicago, IL	148	118,129	651	457,316	799	575,445	98.28	15	77,527
<b>Limited Review</b>									
Rockford, IL	4	50	16	424	20	474	0.08	0	0
ILLINOIS - Statewide	0	0	20	148	20	148	0.03	0	0
ILLINOIS - Non Assessed	35	6,239	35	3,208	70	9,447	1.61	0	0
ILLINOIS	187	124,418	722	461,097	909	585,515	100.00	15	77,527

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

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

## Conclusions for Areas Receiving Limited-Scope Reviews

Investment Test performance in the Rockford, IL MSA is weaker than the overall Outstanding Investment Test performance in the state of Illinois primarily due to lower levels of CD investments relative to the bank's size and resources in the assessment area.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

Bank of America's performance under the Service Test in the state of Illinois is rated High Satisfactory. Service Test performance is good in the Chicago-Naperville-Elgin, IL MSA. Performance in limited-scope assessment areas has a neutral effect on the state rating.

### Retail Banking Services

Refer to Table C for the facts and data used to evaluate the accessibility of the bank's retail banking services.

#### *Chicago-Naperville-Elgin, IL MSA*

In the Chicago-Naperville-Elgin, IL MSA, the bank's service delivery systems are accessible to geographies and individuals of different income levels. Examiners based this conclusion on a comparison of the distribution of the bank's 157 financial centers with the distribution of the population. The bank has 9 financial centers or 5.7 percent of its financial centers in low-income geographies where 8.7 percent of the population lives. The bank has 27 financial

centers or 17.2 percent of its financial centers located in moderate-income geographies where 23 percent of the population lives.

Examiners also considered the bank’s alternative delivery systems, including ATMs, and telephone, online, mobile, and text banking in evaluating accessibility to the bank’s products and services. Based on customer usage, alternative delivery systems have a positive effect on the accessibility of the bank’s service delivery systems to low- and moderate-income individuals and geographies. The proportions of customers in low- and moderate-income geographies using ATM, telephone, mobile, and text banking exceed the proportion of the population in low- and moderate-income geographies.

The bank has 20 financial centers in middle- and upper-income census tracts that are adjacent to or in very close proximity to moderate-income census tracts. These financial centers provide additional access to individuals and businesses in moderate-income geographies.

Financial center openings and closings did not adversely affect the accessibility of service delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. During the evaluation period, the bank opened five financial centers and closed twenty-five. The bank closed four financial centers in moderate-income geographies and the remaining twenty-one in middle- and upper-income geographies.

Banking products and services do not vary in a way that inconveniences the assessment area, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. The bank offers a full range of products and services. Hours of operation are more restrictive in moderate-income geographies. Financial centers are generally open 9:00 am to 5:00 pm Monday through Thursday, 9:00 am to 6:00 pm on Friday, and 9:00 am to 1:00 pm on Saturday.

**Table C - Branch and ATM Distribution by Geography Income Level**

Assessment Area: FS Chicago-Naperville-Elgin IL-IN-WI MSA

Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	255	12.7	750,938	8.7	9	5.7	32	8.1	0	0.0	0	0.0
Moderate	466	23.1	1,978,920	23.0	27	17.2	94	23.7	1	20.0	4	16.0
Middle	654	32.5	2,971,692	34.6	47	29.9	116	29.2	3	60.0	12	48.0
Upper	632	31.4	2,880,652	33.5	74	47.1	155	39.0	1	20.0	9	36.0
NA	7	0.3	4,407	0.1	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>2,014</b>	<b>100.0</b>	<b>8,586,609</b>	<b>100.0</b>	<b>157</b>	<b>100.0</b>	<b>397</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>

Source: 2010 U.S. Census & Bank Data

Due to rounding, totals may not equal 100.0

## Community Development Services

### Chicago-Naperville-Elgin, IL MSA

The bank provides a relatively high level of community development services in the MSA. During the evaluation period, the bank participated with community development organizations to provide 288 community development services targeted to low- and moderate-income individuals. Employees provided homebuyer education workshops to 4 low- and moderate-income individuals and provided 16 financial education and foreclosure prevention workshops for 1,042 individuals. Employees provided 216 income tax preparation services and

participated in 47 webinars and workshops with non-profit organizations to help the organizations with capacity building. In addition, five employees served on the boards or committees of community organizations. The types of CD services provided are responsive to the needs identified in the community.

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

Service Test performance in the Rockford, IL MSA is weaker than the overall High Satisfactory Service Test performance in the state of Illinois. Performance is weaker primarily due to the weaker distribution of financial centers. The bank has only one financial center in the assessment area, which is located in an upper-income census tract.