



MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Katano Kasaine

SUBJECT: Follow-up Information from JPMorgan

DATE: February 19, 2016

City Administrator
Approval

/s/

Date 2/23/16

INFORMATION

The purpose of this memorandum is to share information provided by J.P. Morgan Chase, N.A. (“JPMorgan” or the “Bank”) regarding their banking, lending, and community development activities in Oakland. Per the Finance and Management Committee (the “Committee”) meeting on January 12, 2016, attached is an initial “Q&A” sheet provided by JPMorgan in response to requests for information from members of the Committee, City Council, and Oakland community. For your reference, also attached is a presentation provided by JPMorgan to the City in March 2015 which describes their current activities in Oakland. On March 8, 2016, staff will submit an Agenda Report to the Committee containing data and information provided by JPMorgan regarding certain banking, lending, and community development activities in Oakland.

Respectfully submitted,

/s/

KATANO KASAINÉ
Treasurer, Treasury Bureau

For questions, please contact Katano Kasaine, Treasurer, at (510) 238-2989.

Attachments

- JP Morgan Chase Bank Responses to Questions from the City of Oakland
- JP Morgan Presentation to the City of Oakland from March 2015

JP Morgan Chase Bank Responses to

Questions from City of Oakland

Date: 02/08/2016

JP Morgan Chase Bank, N.A. (the Bank) has received questions and additional data requests on a number of topics from the City of Oakland (the City), most of which are addressed below. Those questions and data requests that are similar in nature have been grouped together with the Bank's corresponding response. Certain questions and data require further review and the Bank will respond to those as soon as reasonably practicable.

Supplemental Data Request

1. *Request for additional data on low and moderate income mortgage lending and comparison to such activity in other cities*
 - a. JPMorgan Chase has a long tradition of market leadership in the area of mortgage lending, offering mortgage products that meet the needs of all homebuyers. During 2013 and 2014 combined, the bank originated or purchased more than 2,100 mortgage loans totaling approximately \$1.1 billion in Oakland, of which, on the basis of the number of loans, 19% totaling \$52 million were made to low- or moderate-income customers and 41% totaling \$449 million were made for homes located in low- or moderate-income communities. The Bank has already provided data for 2013 and 2014 related to low to moderate income (LMI) mortgage lending activity in the City. This information was provided by census tract, as requested by the City.
 - b. The Bank's and other regulated lender's mortgage lending activity in other cities is available at the following website. The City may use this database of publicly available mortgage lending information to conduct its own comparison of the Bank's mortgage lending activity in Oakland with such activity in other cities.

www.ffiec.gov/hmdaadwebreport/DisWelcome.aspx

2. *Provide additional information on the Bank's lending, investments and grants within Oakland as a percentage of profit/revenue. How does this compare to other cities?*

Annual community development loan data is available in aggregate through reports on the FFIEC CRA website referenced below. The reports include information on the Bank as well as other Financial Institutions covered by law. The Bank does not report the percentage of Community Development loans, investments, and grants as a percentage of profit/revenue and therefore, is not available.

- a. JPMorgan Chase has distinguished itself as a national leader in community development lending. JPMorgan Chase Bank (JPMCB) provides financing for affordable housing and economic development projects in low- and moderate-income communities served by the bank. In 2013, JPMCB originated or purchased approximately \$71 million in community development loans or letters of credit. For 2014, JPMCB originated or purchased approximately \$92 million in community development loans or letters in the City of Oakland, CA, for a two year total of approximately \$163 million.
- b. JPMorgan Chase has continued to maintain excellent responsiveness to the community development needs of its assessment area through its significant level of qualified community development investments. JPMCB makes substantial investments in Low-Income Housing Tax Credits (LIHTC) which help finance the creation of low- or moderate-income affordable housing and in New Markets Tax Credits (NMTC) which help provide community services and revitalization/stabilization to low- or moderate-income communities. In 2013, JPMCB made approximately \$9 million in new qualified investments in the City of Oakland, CA. For 2014, JPMCB originated approximately \$5 million in qualified investments, for a two year total of \$14 million.
- c. JPMorgan Chase has long supported economic development, affordable housing, support services, education, and other community development initiatives by providing grants to not-for-profit organizations and financial intermediaries devoted to these areas. In addition, the bank has been a leader in designing and fostering innovative programs to meet the changing needs of its communities. During this period, JPMCB provided \$670,000 million in grants to nonprofit, civic, and philanthropic organizations for community development purposes in the City of Oakland, CA in 2013, and another \$300,000 in 2014.
- d. Aggregate annual community development loan data is available by bank through reports located on the following website.

<http://www.ffiec.gov/craadweb/DisRptMain.aspx>

3. *Provide additional information on loan interest rates as well as application and acceptance rates for minorities for mortgage banking, small business lending and women owned businesses*
- a. Interest rates are updated daily and intra-day to reflect conditions and trends in the financial market to give the customer the most current purchase rates when choosing a home loan. The customer can use our mortgage calculator to get a customized estimate of one's mortgage rate and monthly payment. The customer can contact a Chase Mortgage Banker when he/she is ready to get started.
 - b. All costs associated with a loan are disclosed to a customer prior to loan closing. The Bank does not disclose interest rates on individual loans. Current market rates on loans like auto and home are disclosed on the Bank's website.
 - i. <https://www.chase.com/mortgage>
 - ii. <https://www.chase.com/auto-loans/compare-rates>
 - c. The following link provides additional explanation on interest rates:
 - i. <https://www.chase.com/news/121115-sketched-interest-rates>
 - d. Please note that, given restrictions under federal law (Equal Credit Opportunity Act and implementing regulations) relative to the information that creditors may require and collect in connection with certain consumer and small business lending transactions, data reflecting the race and ethnicity of borrowers is based upon voluntary disclosures of such information by applicants, or, in the case of in-person applications, upon visual observation, if not otherwise provided by the applicant.
 - e. As stated above, creditors may not require that applicants provide the types of demographic detail that the City seeks. Other than information that is subject to the reporting requirements of mortgage-related transactions under federal law (Home Mortgage Disclosure Act), and business loans guaranteed by the Small Business Administration, the Bank cannot even ask applicants to voluntarily provide such information (except in limited "special purpose" credit transactions). Accordingly, except where required for public reporting purposes, and subject to the limitations above, this data is not captured nor requested by the Bank.
 - f. Chase is a leader in SBA lending. Chase has consistently been one of the nation's top SBA lenders in loan units according to the U.S. Small Business Administration's reporting.
 - g. Mortgage banking application and acceptance rate data for minorities is in the process of being gathered and assembled.

4. *Request to determine if Chase has been fined for consumer-unfriendly practices*

- a. **Mortgage and Foreclosure Practices:** The financial crisis resulted in unprecedented levels of delinquencies and defaults of 1–4 family residential real estate loans. Such loans required varying degrees of loss mitigation activities. Foreclosure is usually a last resort, and accordingly, the bank has made, and continues to make, significant efforts to help customers remain in their homes. Chase has entered into various Consent Orders and settlements with federal and state governmental agencies and private parties related to mortgage servicing, origination, and residential mortgage-backed securities activities. The requirements of these Consent Orders and settlements vary, but in the aggregate, include cash compensatory payments (in addition to fines) and/or “consumer relief,” which may include principal reduction, refinancing, short sale assistance, and other specified types of consumer relief. Other obligations required under certain Consent Orders and settlements, as well as under new regulatory requirements, include enhanced mortgage servicing and foreclosure standards and processes.
 - i. The mortgage servicing Consent Orders and settlements are subject to ongoing oversight by the Mortgage Compliance Committee of the Firm’s Board of Directors. In addition, certain of the Consent Orders and settlements are the subject of ongoing reporting to various regulators and independent overseers. Since the entry of these orders, we have made significant enhancements to our servicing and default business and committed considerable resources against improving the customer experience and providing mortgage relief to consumers. We are committed to fulfilling all of these commitments with appropriate due diligence and oversight.
 - ii. In January 2016, the OCC lifted the Mortgage Banking Consent Order which is a significant milestone.
- b. **Sworn Documents/Collections Litigation:** Deficiencies associated with sworn documents and collections litigation were identified by Chase. During 2011, debt collection litigation was suspended. Policies and controls have been and continue to be considered and documented, consistent with consent orders, as well as agreements entered with states, including California.
- c. **Add-on Practices:** The Bank recognized issues with the sales and fulfillment of certain Add-On Products (including Debt Cancellation) that resulted in a full exit of these products and reimbursement to certain customers. The Bank entered into

Consent Orders with the OCC and CFPB in September 2012, which were lifted by the regulators noting Chase's fulfillment of all obligations thereunder."

- d. Debt Sales: In mid-2012, Chase ceased selling charged-off consumer debt. Policies and controls are being considered and implemented with respect to any potential future charged-off consumer debt sale practices consistent with consent order and regulatory expectations. No restart date, if any, has been set.

5. *Request for additional data on foreclosures by race, ethnicity and by census tract*

- a. The Bank does not report this information and it is not available for public disclosure.

6. *Provide definition for Low and Moderate Income*

The following definitions are used by the Bank in categorizing income levels and are consistent with the descriptions of such levels under the Community Reinvestment Act (CRA), the Home Mortgage Disclosure Act (HMDA) and implementing regulations. The following levels are provided on both an income level for individuals as well as for "geography" which refers to a census tract. So, for example, in the "low-income" definition, an individual's income will be considered "low-income" if that income is less than 50 percent of the median income of the subject statistical metropolitan area (here, the Oakland SMA), and a census tract (the "geography") within the Oakland SMA will be considered low-income if the median family income in that census tract is less than 50 percent of the median family income of the Oakland SMA:

- a. Low- income – an individual income that is less than 50 percent of the area median income or a median family income that is less than 50 percent, in the case of geography
- b. Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent, in the case of geography
- c. Middle- income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent, in the case of geography
- d. Upper-income – an individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of geography

7. *Request for improved services in under-represented communities – Oakland and other cities. Outline improving access to banking services in Oakland. List of projects that create opportunity for low- income residents. Describe partnership and sponsorship expansion with non-profits. Describe how Chase is going further than OBDC with other partnerships.*

Our corporate responsibility work is focused on supporting economic expansion and progress in our communities and working with local leaders to help develop strategies to bolster the long-term vitality of the world's cities. We are investing in workforce skills, supporting small businesses and expanding the global financial capabilities of consumers.

In Oakland, we are engaged in many initiatives. Included but not limited to the following:

- I. Our \$2.1million grant to the CDFI Collaborative of Northern California Community Loan Fund and OBDC Small Business Finance will support economic development, small business growth, and affordable housing along the International Boulevard commercial corridor in Oakland where a bus rapid transit line is being built. NCCLF and OBDC will coordinate a multi-lender commercial corridor financing initiative that will provide a comprehensive set of products and services to support economic development projects, small business growth, and affordable housing development.
- II. Our \$2.6 million grant supporting an innovative partnership between Opportunity Fund, Craft3, and Lending Club which will deploy \$10M in new loans to 400 low and moderate-income small business owners, ultimately closing the financing gap, providing access to affordable capital, and promoting job retention and creation. The fund will serve LMI small business owners in high poverty areas in Oakland, Los Angeles, San Diego, San Francisco, Portland and Seattle.
- III. Our \$300,000 grant supports Jewish Vocational Service's EXCEL Program, which provides comprehensive training and a way out of poverty through placement in high-demand medical administrative, nursing and personal caregiver roles. This grant will allow JVS to deepen its sector strategy within healthcare and increase their regional impact. Over the last year, JVS has solidified new relationships with employers and training providers in the East Bay (including John Muir and Ohlone College) and the South Bay and on the Peninsula (College of San Mateo and their employer partners).
- IV. Our \$250,000 grant supports the Youth Jobs+ Initiative led by United Way of the Bay Area, a year-round public-private partnership to help young adults find employment in San Francisco and Oakland. The goal in Oakland is, with UWBA's programmatic knowledge, leadership and understanding of best practices in place, to help support the City of Oakland's goal to provide 1,850 youth with work experience, and directly place 100 youth in internships, entry-level jobs and other work-based learning opportunities over the summer.
- V. Our grants totaling \$1.75 million provide continued support to the LaunchPath Work-Based Learning Employer Engagement Project, an innovative project connecting employers, educators, and students to close the skills gap and strengthen the workforce. The most recent grant of \$200,000 for the Bay Area Employer Engagement Project will enable them to facilitate a one-year regional initiative with thirteen East Bay Community Colleges to broker internships on the LaunchPath platform.
- VI. Our \$150,000 grant supports the Bay Area Workforce Funding Collaborative's ongoing efforts to build the workforce training capacity of Bay Area community colleges and to

strengthen the region's workforce training system. Two of the four current community college recipients are in the East Bay: Merritt's Allied Health Program and Laney's Bio-Manufacturing Program.

- VII. Our \$150,000 grant supports the Unity Council's job training programs for low-income individuals of Alameda County in allied healthcare, technology and the building trades. Additionally, the firm sponsors the Annual Día de los Muertos festival which draws more than 50,000 community residents to the Fruitvale District.
- VIII. JPMorgan Chase is the lead California sponsor of College Track, an Oakland based organization that empowers students from underserved communities to graduate from college. The firm has contributed more than \$2.2 million grant to expand College Track's services and serve more students in its five California Centers in Oakland, Bayview Hunters Point (SF), East Palo Alto, Boyle Heights (LA) and Sacramento.
- IX. Our \$100,000 grant to Oakland-based OBDC Small Business Finance supports their efforts creating economic opportunity by empowering entrepreneurs – with a focus on veterans and Oakland businesses affected by the BRT line expansion. Through innovative partnerships, OBDC provides business owners with capital, education, and relationships. Their approach helps borrowers create jobs and stimulate economic development in low-to-moderate income communities.
- X. Our \$100,000 grant to Inner City Advisors provides support for the identification and investment in high-impact entrepreneurs committed to scaling their businesses and creating good jobs for a diverse workforce.
- XI. Our \$75,000 grant to East Bay Asian Local Development Corporation (EBALDC) supports Healthy Neighborhoods, a comprehensive community development approach combining direct service, community organizing, and collective impact partnership development.
- XII. Additional descriptions of the Bank's engagement within the communities it serves, including the City, may be found at the following link:

<https://www.jpmorganchase.com/corporate/Corporate-Responsibility/global-philanthropy.htm>

8. Details surrounding branch closure – support to East Oaklanders

- a. The closure of the International Boulevard, Oakland branch in October 2015 is part of a national branch consolidation strategy. We announced last February a plan to reduce branches nationwide by about 300 by the end of 2016. These reductions are resulting from changing consumer behavior. Branch transaction volumes are declining as customers increase their use of and other remote channels (such as mobile apps and Chase.com). These changes are occurring across the financial services industry. We continually review our branch network and make adjustments as needed based on the changing market and banking habits of our customers.
- b. To ensure the least disruption possible when closing branches, we consider the proximity of other branches when assessing a branch for closure. We have two branches less than one mile from the referenced International Boulevard branch, for example. These branches are able to serve the customers who previously banked at the International Boulevard branch and customers can of course bank online at Chase.com or via the Chase Mobile App.

- c. More generally, our branch commitment to Oakland has not wavered since 2008: we acquired 8 Oakland branches in the Washington Mutual (WaMu) transaction and today have 9 branches.

9. *Discuss local media outreach and strategic partnership*

- a. The Bank's approach to advertising is a mixture of national and local campaigns. Most of the Bank's local advertising is placed at the regional level. Oakland is part of the San Francisco-Oakland-San Jose region. In 2015, the Bank placed TV ads for the full year (30 weeks total), and the plan for 2016 is the same. The Bank's consumer banking line of business also does some advertising on Chinese language TV and print media in the region. Chase Business Banking ran local radio ads throughout the year as well.

10. *Provide number of overdraft and other fees to Oaklanders/low-income Oaklanders. Discuss Chase's practices.*

- a. Chase's retail deposit product fees, including overdraft fees where applicable, are nationally set; no regional pricing exists. These fees are disclosed at account opening and presented in a format consistent with The Pew Charitable Trusts' model disclosures to give customers a description of fees and details about when deposits are available in an easy-to-read format.
- b. In 2013, JPMorgan Chase joined with the Cities for Financial Empowerment (CFE) to announce the creation of Bank On 2.0, a unified, national approach to deliver affordable banking products and services to low-income and under-banked individuals through municipal programs. Chase participated in the initial meeting with the City of Oakland in 2015 where the city provided an update on the National Bank On 2.0 program. Chase is proud to offer a retail deposit product that incurs no overdraft fees at all: the Chase Liquid® reloadable prepaid card product offering that meets the Bank On national standards.

11. *Provide list of projects that create opportunities for low-income Oaklanders, specifically related to Affordable Housing*

- a. We provided \$21 million of construction financing and \$9.5 million of permanent financing for **Cathedral Gardens**, a 100-unit apartment complex servicing low-income families in downtown Oakland.
 - The property was built on the former site of St. Francis de Sales Cathedral. The project was completed in March 2015. The address is 668 21st Street.
- b. We provided \$8 million of construction financing and \$6 million of permanent financing for **AveVista**, a 68-unit apartment complex serving low-income families in downtown Oakland.

- The development is comprised of a five-story building with an interior courtyard and 3,000 square feet of retail space. The project was completed last spring. The address is 460 Grand Ave.
- c. The Bank also worked on a NMTC transaction supporting the Vincent Academy Charter School in West Oakland. This transaction closed on 11/20/2014.

CITY OF OAKLAND

March 2015

J.P.Morgan

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J.P.Morgan

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Community Outreach and Support in Oakland

Information Request: What steps is JP Morgan taking to expand community outreach and provide services in underserved communities in Oakland?

The primary ways that JP Morgan Chase provides outreach and services to underserved communities in Oakland are as follows:

- **Philanthropic activities in Oakland**
 - JP Morgan provided \$756,150 in grants and donations to community organizations in 2014
 - These funds supported job creation programs, financial education, mentoring, homebuyer seminars, small business initiatives and other programs in Oakland
- **Mortgage and small business lending in Low and Moderate Income (LMI) communities in Oakland**
 - The bank provided \$1.1 billion in mortgage loans in Oakland during 2013-2014 (40.7% of the loans were in LMI census tracts and 19.1% to LMI borrowers)
 - The bank provided \$32 million in small business loan originations in Oakland during 2013-2014 (52.7% were in LMI census tracts)
- **General banking services to consumers, business and government**
 - JP Morgan Chase has over 118,000 consumer and 7,300 small business customers located in Oakland
- **National Community Development Programs that are active in Oakland**
 - JP Morgan's Community Development Programs include:
 - Community Development Lending
 - Community Development Investments
 - Community Development Grants

Philanthropic Activities in Oakland

JP Morgan's Philanthropic Efforts in 2014

- A total of \$756,150 was provided to the community during 2014 (Refer to the Schedule on Page 4 for details)
- JP Morgan supports Oakland and many other communities through a variety of programs

Strengthening Communities – Examples in Oakland

- **College Track (Based in Oakland)** - JPMC made an additional \$1 million grant to expand College Track's services and serve more students in its five California Centers in Bayview Hunters Point (SF), Oakland, East Palo Alto, Boyle Heights (LA) and Sacramento. \$200,000 was directed to Oakland. College Track is based in Oakland.
- **Unity Council** – JPMorgan Chase's \$100,000 grant supports Unity Council's Healthcare Sector Career initiative, a job training program that provides in-demand skills to low- to moderate-income residents of Alameda County.
- **International Rescue Committee (IRC)** - JPMorgan Chase awarded \$50,000 to IRC to support expansion of their Financial Opportunity Center (FOC) and existing IRC services, which serve low to moderate income refugees in Oakland.
- **Mayor's Jobs Program** – JP Morgan provided \$50,000 to this program in Oakland.

Philanthropic Investments in Oakland (2014)

2014 City of Oakland Philanthropic Investments

Organization	Project Title	Amount
Alameda County Health Care Foundation		\$500
Attitudinal Healing Connection Inc	MLK Day - Make the Dream Real	\$1,500
Christian Church Homes of Northern California		\$5,000
Christian Church Homes of Northern California		\$1,500
College Track		\$200,000
East Bay Asian Local Development Corporation	Building Healthy Neighborhoods	\$40,000
East Bay Community Foundation	2014 Oakland Mayor's Summer Jobs Program	\$50,000
Inner City Advisors	Small Business Initiatives	\$100,000
International Rescue Committee	Financial Opportunity Center	\$50,000
National Council on Crime And Delinquency		\$1,000
OBDC Small Business Finance	Veteran-Owned Business Lending Program	\$55,000
Public Health Institute	Co-Sponsorship of the CCRWF Mentoring Initiative	\$5,000
Robert A Toigo Foundation	25th Anniversary Celebration Platinum Sponsorship	\$25,000
Robert A Toigo Foundation	2014 Groundbreakers Summit - Six Pack Special	\$10,400
Robert A Toigo Foundation		\$2,250
Spanish-Speaking Unity Council of Alameda County Inc	The Unity Council's Healthcare Sector Career Initiative (HSCI) and Gala	\$100,000
Spanish-Speaking Unity Council of Alameda County Inc	The Unity Council Homeownership Center 1st quarter 2014 Homebuyer Seminars	\$3,500
Spanish-Speaking Unity Council of Alameda County Inc	The Unity Council Homeownership Education Workshops April, May, June	\$3,000
Tides Center	Leadership's Annual Event - Leadership 2.0 - Connecting Communities	\$2,500
World Institute on Disability	World Institute on Disability Financial Services Accessibility Research Paper	\$90,000
World Institute on Disability	WID Policy Summit 2014	\$10,000
Total		\$756,150

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JP Morgan Small Business Lending Activity in Oakland – 2013 & 2014

Information Request: Provide data on small business lending in the City of Oakland

JP Morgan Chase Lending Activity – Small Business

- The bank is active in the area of small business lending, making available a full range of products designed to meet the needs of small businesses and their owners. Banking products include: Lines of Credit, Term Loans, SBA Financing, Commercial real Estate Financing, Business Credit Cards and Trade Finance.
- The bank made over 2,000 small business loans totaling more than \$32 million in Oakland during 2013 - 2014
- 53% of the loans were made to businesses located in low or moderate-income communities
- Total number and total amount of loan originations increased 59% and 35%, respectively, in 2014
- LMI Tract total number and total amount of loan originations increased 52% and 38%, respectively, in 2014

City of Oakland, CA JPMC SB Lending originations and purchases					
	Total		LMI Tract		
Year	#	\$ (000)	#	\$ (000)	%
2013	801	\$13,817	434	\$7,727	54.2%
2014	1,277	\$18,702	661	\$10,723	51.8%
Total	2078	\$32,519	1,095	\$18,450	52.7%

J.P. Morgan Mortgage Lending Activity in Oakland – 2013 & 2014

Information Request: What is the status of home lending and have you developed any homebuyer programs for public sector workers specifically?

J.P. Morgan Chase Lending Activity – Housing/Mortgage

- J.P. Morgan Chase has a long tradition of market leadership in the area of mortgage lending, making innovative mortgage products available to meet the needs of all homebuyers.
- The bank does not offer homebuyer programs specifically for public sector workers.

Below is a summary of Home Mortgage activity that the bank has provided in Oakland during 2013 and 2014.

- During this period, the bank originated or purchased more than 2,100 mortgage loans for approximately \$1.1 billion in Oakland
- 41% of the loans were made for homes located in low- or moderate-income communities
- 19% of the loans were made to low- or moderate-income borrowers
- Declines in volumes in Oakland during 2014 are reflective of mortgage production declines in the market overall

City of Oakland, CA JPMC HMDA Lending originations and purchases									
Year	Total		LMI Tract			LMI Borrower			
	#	\$ (000)	#	\$ (000)	%	#	\$ (000)		%
2013	1,317	\$627,460	528	\$233,393	40.1%	232	\$44,555		19.6%
2014	818	\$493,279	341	\$215,883	41.7%	41	\$7,918		16.6%
Total	2,135	\$1,120,739	869	\$449,276	40.7%	273	\$52,473		19.1%

JP Morgan Tax Credit Investments in Oakland – 2013 & 2014

JP Morgan Chase Investments – Tax Credits

JP Morgan Chase has continued to maintain excellent responsiveness to the community development needs of its assessment area through its significant level of qualified community development investments.

JP Morgan sponsors workshops in large markets to inform communities about tax credits. The next workshop for the Bay Area is April 6 and we would like to invite City representatives

- JPMorgan Chase makes substantial investments in housing tax credits:
 - Low-Income Housing Tax Credits (LIHTC) which help finance the creation of low- or moderate-income affordable housing
 - New Markets Tax Credits (NMTC) which help provide community services and revitalization/stabilization to low- or moderate-income communities

JPMorgan Chase has made a total of \$14 million in new qualified investments in Oakland during 2013 and 2014.

- The bank made approximately \$9 million in new qualified investments during 2013 and \$5 million during 2014 in Oakland

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J.P. Morgan Chase Branch Locations in Oakland

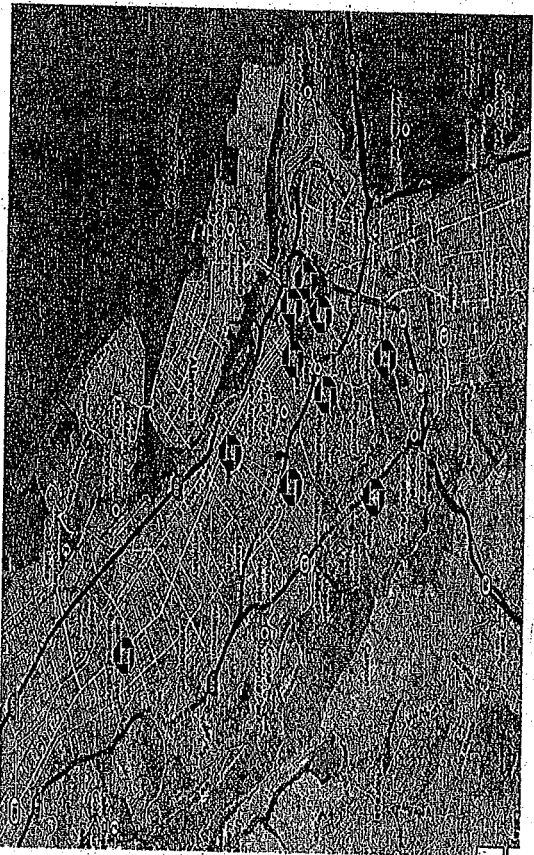
Information Request: Provide an update on steps planned to open branches in underserved communities.

J.P. Morgan's banking services are delivered to our customers through multiple channels

- Branch locations in Oakland: 10 locations (see map below)
- ATM locations in Oakland: 41 in Oakland
- Electronic delivery channels (online and mobile)
- Chase credit cards also provide access to our services

There are no plans to open any new branches in Oakland in the near term

Chase Branches in the City of Oakland



CHASE BRANCHES		DISTRICT
1	1330 Broadway	Council District 3
2	401 8th St	Council District 2
3	3310 International Blvd	Council District 5
4	3241 Lakeshore Ave	Council District 2
5	10800 International Blvd, Unit D	Council District 7
6	5050 Broadway St	Council District 1
7	350 20th St	Council District 3
8	3438 Fruitvale Ave	Council District 4
9	2051 Mountain Blvd	Council District 4
10	270 E 18th St	Council District 2

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Additional Information Requested by Oakland

Information Request: Provide an update if census tract/zip code information will be available by the end of the year.

JP Morgan can currently provide information on either a census tract or zip code basis for small business and home mortgage lending activities in Oakland.

This information is currently available on an annual basis.

We will work with the City of Oakland to provide this information going forward. We recommend using census tract information as that allows us to provide all activity within the city. Zip code information can sometimes include areas that are not part of the city.

Information Request: Please state the term of the banking services contract.

The term is from March 2014 – March 2017 with two 1-year optional renewal periods.

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Community Development Programs – Active in Oakland

JP Morgan Chase Community Development Lending

JP Morgan Chase is the national leader, among banks, in multi-family lending with a focus on high density markets where the supply of real estate is often constrained, housing costs are high, and the need for rental housing is great. The housing units in multi-family rental building are in high demand as younger households delay becoming homeowners, many consumers are faced with employment or other economic challenges, and former homeowners become renters.

The bank's multi-family financing helps meet the consumer needs for rental housing by offering multi-family building owners loans of \$500,000 to \$25 million in size, with an average loan size of \$2.4 million, of which a significant proportion meet the need for affordable housing in low or moderate income communities.

JP Morgan Chase's Community Development Banking (CDB) is an active and national leader in community development finance that promotes the growth of affordable housing, economic development and the revitalization of low- and moderate-income communities across America. CDB offers comprehensive financing products for projects of any size and complexity, including construction financing, bridge loans, acquisition loans, letters of credit to support bond transactions and long-term permanent financing for Low Income Housing Tax Credit developments and bond purchases. CDB's three primary businesses consist of Community Development Real Estate (CDRE), Intermediaries Lending (IL) and New Markets Tax Credits. CDB is a leader in community development lending – currently ranking #4 nationally among financial institutions. CDB's mission delivers JP Morgan Chase's commitment to making a difference in communities – by bringing our financial expertise, leadership, capital, and people to the affordable housing, CDFI and NMTC industries. The economic and/or social betterment of LMI communities is the primary driver and unifying characteristic of all CDB's transactions. CDB's approach emphasizes: strong relationships and communication with a variety of partners to be responsive to their community's needs; willingness and desire to innovate; and an unwavering commitment of talent and capital to the market.

Intermediaries Lending (IL) is a leader in providing innovative, creative and customized financing solutions for community development intermediaries that finance or invest in the development of affordable housing, commercial projects, community facilities or businesses that improve the lives of residents of LMI communities throughout JP Morgan Chase's U.S. markets. IL is an industry leader in providing subscription financing and banking products for LIHTC investment funds, multi-lender debt facilities, structured finance vehicles, aggregating lenders for multibank syndicates and in creating innovative funding vehicles for CDFIs. Additionally, IL partners frequently with JP Morgan Chase's Global Philanthropy to deliver grants to CDFI clients; and with JPMCC to increase LIHTC equity proceeds into a transaction by providing bridge loans.

Community Development Programs – Active in Oakland

JP Morgan Chase Community Development Investments

JP Morgan Chase invests in Low Income Housing Tax Credits (LIHTC), a federal program intended to facilitate the development of low-income rental property that has been a primary driver of the development of approximately two million affordable housing units since the program inception in 1986. JP Morgan Chase is a consistent annual investor with broad geographic penetration and utilizes a diversified investment strategy that enables it to maximize market penetration and meet varying community and economic objectives. JP Morgan Chase purchases secondary interests when other investors want to exit LIHTC investments and, in doing so, takes on the responsibility for making future equity payments into the affordable housing projects, some of which have not yet been completed or fully stabilized. The payments can also fund working capital reserves and project performance reserves. JP Morgan Chase is one of a select few investors that has both the capacity for, and interest in, secondary purchases and has been instrumental in creating a secondary LIHTC market over the past few years, demonstrating flexibility in its execution strategy, responsiveness market needs and leadership. These purchases add significantly to our contribution toward financing affordable housing in our local markets.

JP Morgan Chase has a team of professionals dedicated to using New Markets Tax Credits (NMTC) to provide subsidized financing to high impact projects across our footprint where we can be innovative and provide new solutions, in partnership with our clients. JP Morgan Chase is recognized as a "hands-on" investor – working at the front end to structure the transaction, actively leading the closing and funding process, and using in-house resources to monitor investments. Typical deals often involve projects with strong local support and may have multiple subsidy and funding sources. Each additional funding source generally includes its own disbursement, monitoring or compliance requirements, which need to be adhered to simultaneously within the already complex NMTC investment structure.

Chase New Markets Corporation's (CNMC), a Chase Community Development Entity (CDE), mission is to serve and invest in low income communities to improve living conditions, provide employment opportunities, reduce blight, and spur additional investment for the benefit of low income individuals. Chase CDE is a seasoned NMTC allocatee that has received eight allocations since 2005 totaling \$540 million. We partner with other CDEs, mostly non-profit CDFIs, who are providing allocation to a project by providing the final component of NMTC allocation necessary to ensure the project's success. This "gap-filler" strategy ensures that worthwhile projects receive enough of the subsidy to be viable. Because our Controlling Entity is also the investor in the transaction, this strategy materially reduces transaction costs and increases the efficiency of closing, which maximizes the amount of benefit that flows to the project. We have developed this approach in response to changes in the NMTC market that have led to an increase in multi-CDE transactions, and Chase CDE can deliver its low-cost execution to ensure maximum benefit to QALICBs. Chase CDE charges no fees, which further maximizes the amount of benefit that can flow to the project.

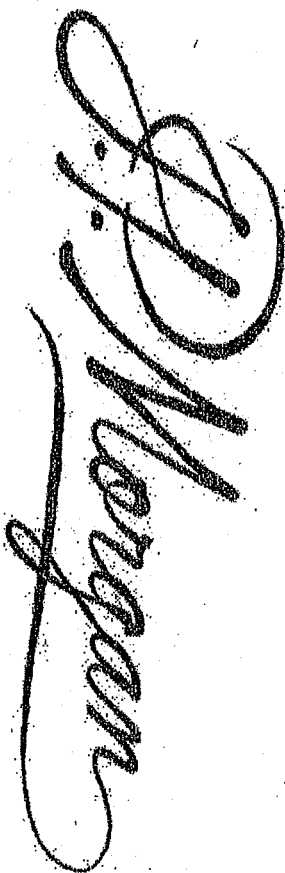
Community Development Programs – Active in Oakland

JP Morgan Chase Community Development Grants

JP Morgan Chase works with community partners to create pathways to opportunity by supporting affordable housing, economic growth, workforce readiness, and financial capability which are needs that have been identified through our work with nonprofits, government entities, and others in the bank's local communities. JP Morgan Chase invests in program models that address problems faced by individuals, including the need for transitional, permanent supportive, affordable rentals, and homeownership, disaster relief, and community-level models that stabilize neighborhoods, rehabilitate properties, and increase the supply of affordable housing.

At a time when job creation is critical to communities, JP Morgan Chase works with community organizations, governments, and businesses of all sizes to help create jobs and prepare workers for the employment opportunities available in today's economy. We fund regional, state, and local economic development planning and make grants that provide small business owners with specialized technical assistance, increased access to capital, and other assistance to help their businesses grow. We support initiatives that help youth and adults acquire the knowledge, skills, and experiences needed to obtain jobs, as well as help employer's access skilled employees.

JP Morgan Chase has been a national leader in financing and partnering with top-tier Certified Community Development Financial Institutions (CDFI) for more than 20 years. The bank's \$100 million commitment to strengthen CDFIs, reflects Chase's leadership and responsiveness to the need to invest in CDFIs in order for them to provide credit, financial services, and technical assistance to populations and communities underserved by traditional financial institutions. CDFIs play a vital role in job creation; their investments in low-income communities frequently create permanent jobs for local residents, as well as construction jobs for new developments. CDFIs are also significant when it comes to affordable housing. For small communities or distressed areas, jobs and housing are critical to helping stabilize the community. CDFIs play a critical role in building a healthier economy by providing these communities with access to sorely needed capital.

The logo for J.P. Morgan, featuring the letters "J.P." in a large, stylized, cursive font, with "Morgan" written in a smaller, elegant script font below it.

This presentation is providing only general information regarding certain of J.P. Morgan's products or services as described herein, is for general illustrative purposes only and is not intended as nor shall it be deemed to constitute advice or a recommendation regarding the issuance of municipal securities or the use of any municipal financial products. J.P. Morgan is not providing any such advice or acting as the Company's advisor, including, without limitation, as a Municipal Advisor under Section 15B of the Securities and Exchange Act of 1934, as amended. The Company should consult with its own financial and other advisors to the extent it deems appropriate.