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July 2, 2021

By Email

Ms. Marva V. Cummings  
Director for District Licensing  
Northeastern District Office  
Office of the Comptroller of the Currency  
340 Madison Avenue, Fifth Floor  
New York, New York 10173-0002

Re: Supplement to Application by Webster Bank, National  
Association to Acquire Sterling National Bank – OCC  
Control Number: 2021-NE-Combination - 321549

Dear Ms. Cummings:

This submission provides additional information on the application to the Office of the Comptroller of the Currency (the “OCC”), requesting prior approval to merge Sterling National Bank (“Sterling Bank”) with and into Webster Bank, National Association (“Webster Bank”) with Webster Bank as the surviving institution (the “Bank Merger”), pursuant to 12 U.S.C. §§ 215a-1, 1828(c) and 1831u and 12 CFR part 5, and for specified transactions related to the Bank Merger (the “OCC Application”). The Bank Merger would occur immediately after

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consummation of the proposal by Webster Bank's parent holding company, Webster Financial Corporation ("WFC"), to acquire by merger Sterling Bank's parent bank holding company, Sterling Bancorp, and thereby acquire Sterling Bank.

Webster Bank and Sterling Bank appreciate the opportunity to respond to certain concerns raised by Matthew Lee, Esq., Fair Finance Watch (the "Commenter"), in an email to the OCC dated June 7, 2021, which agency staff forwarded to us. The commenter initially expressed concerns about Webster Bank's record of home mortgage lending to African American borrowers as compared to White borrowers in Connecticut and New York in 2019.

In response to the implied fair lending concerns of the Commenter about Webster Bank's home mortgage lending record, Webster Bank maintains a comprehensive fair lending program to ensure access to credit and financial products for all population segments and communities in its footprint, including African American individuals and communities, which is detailed in the OCC Application. Webster Bank performs regular and ongoing analysis of its lending, including its Home Mortgage Disclosure Act ("HMDA") data and Community Reinvestment Act ("CRA") small business lending data, in its different markets for any potential distribution issues related to Webster Bank's mortgage and small business applications and approvals and how its data compares to market demographics and those applications received and approved by peer lenders in the same markets. This includes regular analysis of Webster Bank's lending in majority-minority census tracts. In its most recent CRA performance evaluation, the OCC reported that it found no evidence of discriminatory or other illegal credit practices at Webster Bank.

In support of Webster Bank's overall "Outstanding" CRA performance rating for the past two consecutive evaluation cycles and as part of its continuous efforts to enhance its home mortgage lending to all its communities, Webster Bank actively seeks to provide home mortgage loans to African American individuals, in compliance with applicable fair lending and other consumer compliance laws. Webster Bank also is undertaking several initiatives to increase home mortgage lending in, and provide other support to, African American individuals and communities. For example, Webster Bank has enhanced its proprietary 30Hope mortgage loan product to expand the eligibility of more low- and moderate-income ("LMI") borrowers, including those who are African American, by reducing the interest rate, broadening the qualifying income guidelines and including coverage for refinance opportunities. Webster Bank also lowered the minimum loan amount of its home equity loan products from \$25,000 to \$10,000 to meet the home improvement and other financing needs of more borrowers.

In addition, Webster Bank is regularly reviewing its direct mail marketing efforts to ensure mailing distribution covers majority-minority census tracts in its footprint. In 2020, Webster Bank conducted three separate outreach campaigns focused on promoting its lending products within LMI and majority-minority census tracts.

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Moreover, Webster Bank has been developing additional partnerships in the minority community and undertaking other multi-faceted initiatives and activities to enhance its home mortgage lending, small business lending and other banking relationships in minority communities. Examples of such initiatives and activities include:

- Pledging support to the OCC's Project REACH program to financially support and help preserve minority depository institutions ("MDIs"), pursuant to which Webster Bank is in active discussions with two MDIs. Discussions to date have included, without limitation, accessing Webster Bank's leadership; leveraging Webster Bank's capabilities in Small Business Administration lending programs to increase small business loan production (including demonstrating the benefits of applying for and achieving "Preferred" lender status); sharing competitive intelligence; and accessing industry resources.
- Partnering with organizations across its footprint to deliver financial literacy and first-time homebuyer workshops, including Webster Bank's own branded financial education program, BankPower, which offers attendees discounts on bank products and services. Examples in 2021 include sponsoring and partnering with nonprofits to host several financial literacy and first-time homebuyer workshops in Fall River, MA; Hartford CT; Boston, MA; Waltham, MA; and Bridgeport, CT. These workshops were held in areas serving large populations of LMI and minority individuals.
- Donating \$100,000 to the Equal Justice Initiative and the RE-CENTER Race & Equity in Education.
- Proudly developing and maintaining a long history in providing financial support through CRA grants/donations to support community organizations with missions to end housing insecurity, create safe affordable housing, and building strong, inclusive communities, such as: Housing Development Fund, Building Neighborhoods Together, Neighborhood Housing Services of Waterbury and Neighborhood Housing Services of New Haven. These partnerships underscore Webster Bank's commitment in serving and promoting homeownership to LMI and minority individuals, families and communities.
- Refining Webster Bank's grantmaking practices to include equity and economic inclusion purposes and obtain more information about the grant applicant diversity and inclusion leadership and staffing practices.
- Continuing Webster Bank's \$100,000 Financial Empowerment Grant program, initially launched three years ago, which provides grants to organizations across

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its CRA assessment areas to support their financial educational activities primarily in LMI communities and communities of color.

- Focusing investments to support affordable housing in majority-minority census tracts. For example, during 2020 and through May 2021, 23 (or 37.1%) of Webster Bank's purchased 62 loans in Freddie Mac's Small Balance Multifamily Financing Program and GNMA Project Loan investments, totaling \$146 million, were for affordable housing within majority-minority census tracts. During 2020 and through May of 2021, two notable community development loans, totaling over \$4 million were to finance and promote affordable housing in communities of color in Waterbury and Stamford, CT.
- Partnering with the an Urban League board member and several community development institutions in the minority community to help identify more minority businesses who could benefit from receiving loans under the Small Business Administration's Payroll Protection Program (the "PPP Program").
- Serving as a founding funder, in partnership with the Women's Business Development Council, for a new Equity Match Grant program that provides micro grants to minority-owned, women-owned small businesses.
- Conducting other purposeful outreach to diverse small and middle market business prospects through community and referral sources, seeking to improve customer diversity on a continuous basis. Webster Bank is going further than merely reaching out to minority small and middle market business prospects by also partnering and seeking to partner further with community institutions in communities of color, such as churches, community centers, public entities, foundations, and minority collectivities and trade groups, as third-party sources of diverse business prospects. Current and prospective outreach associations include: Urban League of Rhode Island, Black CPA Association of Westchester, Neighborworks New Horizons, Black Economic Council of MA, and Greater NE Supplier Development Council. Webster Bank is tracking the effectiveness of its efforts and reporting results regularly at its most senior levels.
- Working with third parties to help identify more minority-certified vendors and other minority-owned companies who are seeking banking service relationships.

Webster Bank is confident that these initiatives and activities, as well as the close monitoring and ongoing refinements of its actions, which are designed to enhance its lending, banking services and relationships in minority communities throughout its footprint, will benefit African American individuals and communities.

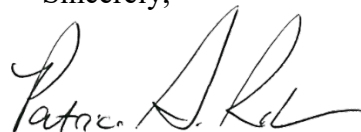
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The Commenter also expressed concern about Webster Bank's level of lending under the PPP Program. To address this concern, we invite the OCC to review the extensive information in the OCC Application about the significant PPP funding that Webster Bank provided in 2020 and 2021, which provided needed funding to address urgent needs of small businesses throughout Webster Bank's footprint and thereby served as a critical source of reinvestment in the communities it serves to meet the financial challenges presented by the COVID-19 pandemic. Webster Bank noted in the OCC Application that it had provided approximately \$2.0 billion in financing for more than 18,000 PPP loans since the PPP Program's inception. This is to confirm that, as of June 25, 2021, Webster Bank had provided more than \$2.0 billion in PPP financing for more than 18,500 PPP loans since the PPP Program began. Of these Webster Bank financed PPP loans, approximately 88% of the loans were to businesses – including nonprofits, sole proprietors and independent contractors – with annual payrolls of \$1 million or less. In addition, 80% of these Webster Bank financed PPP loans were for amounts of less than \$100,000, and 65% were for amounts of less than \$50,000. Webster Bank is proud of its active participation in the PPP Program and the critical assistance its PPP lending has provided to address the COVID-19 economic hardships experienced by small businesses in its footprint.

In addition, the Commenter repeated alleged concerns about the integrity of Sterling Bank's CRA data that the Commenter made four years ago in connection with Sterling Bank's proposal to acquire Astoria Bank by merger (the "Sterling-Astoria Bank Merger Application") and Sterling Bancorp's proposal to acquire Astoria Financial Corporations and thereby Astoria Bank (the "Sterling-Astoria BHC Application"). In approving the Sterling-Astoria Bank Merger Application, the OCC considered and responded to the same concerns of the Commenter by noting that: (1) the OCC determined that Sterling's HMDA data was reliable; (2) Sterling corrected initially found errors in its CRA data; and (3) the OCC relied on such corrected CRA data. OCC CRA Decision #185 n.6 (September 2017 (Letter from Stephen A. Lybarger, Deputy Comptroller, OCC, to Amanda K. Allexon, Esq, (Aug. 16, 2017))). In approving the Sterling-Astoria BHC Application, the Board of Governors of the Federal Reserve System similarly addressed those concerns and noted that the data errors had been corrected. Sterling Bancorp, FRB Order No. 2017-21 n.25 (Aug. 30, 2017). Sterling Bank continues to maintain a robust compliance management program, including regular testing of HMDA- and CRA-related data. The compliance program and related HMDA- and CRA-data management is audited at least annually by Sterling Bancorp's Internal Audit and is subject to ongoing regulatory review by the OCC.

If you have any questions regarding this submission, please contact me at 212/403-1127.

Sincerely,



Patricia A. Robinson

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Enclosures

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