

PUBLIC DISCLOSURE

June 21, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Wakefield Co-operative Bank
Certificate Number: 26516

342 Main Street
Wakefield, Massachusetts 01880

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this 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. 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 Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its entire assessment area, including low- and moderate-income individuals and neighborhoods, as applicable, in a manner consistent with its resources and capabilities.

The assigned rating is based on the following factors:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank originated a majority of its residential loans in its assessment area during the evaluation period.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated August 10, 2015, to the current evaluation dated June 21, 2021. The Commonwealth of Massachusetts Division of Banks (Division) and the Federal Deposit Insurance Corporation (FDIC) used Federal Financial Institution's Examination Council (FFIEC) Interagency Small Institution Examination Procedures to evaluate the institution's performance.

These procedures evaluate the bank's record of helping to meet the credit needs of its assessment area by considering the following criteria:

- Loan-to-deposit ratio
- Assessment Area Concentration
- Geographic Distribution
- Borrower Profile
- Response to CRA-related complaints

Loan Products Reviewed

Examiners determined the bank's major product line is home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of originations during the evaluation period. Additionally, as the bank originated just three small business loans during 2020, examiners presented these loans only in the Assessment Area Concentration analysis. Therefore, home mortgage lending performance determined overall conclusions due to the lack of small business loan originations.

Residential real estate loans and multi-family loans represent 79.4 percent of the bank's loan portfolio as of March 31, 2021. Loans secured by nonfarm nonresidential real estate account for 11.1 percent and commercial and industrial loans account for 2.1 percent of the portfolio. The bank does not offer small farm loans. Bank records indicate that the lending focus and product mix remained consistent throughout the evaluation period. No other loan types represent a major product line; therefore, they provide no material support for conclusions or ratings and are not presented.

Wakefield Co-operative Bank collects and reports home mortgage loan data pursuant to the Home Mortgage Disclosure Act (HMDA). Examiners considered all home mortgage loans reported on the bank's 2019 and 2020 HMDA Loan Application Registers (LARs). In 2019, the institution originated 165 HMDA loans totaling \$79.3 million. In 2020, it originated 210 HMDA loans totaling \$91.7 million. Because the bank reports its home mortgage loan data pursuant to HMDA, examiners compared its 2019 HMDA lending performance to 2019 aggregate lending data. In addition, examiners compared the institution's home mortgage lending performance under the Geographic Distribution and Borrower Profile criteria to the 2015 American Community Survey (ACS) demographic data.

As a small institution, the CRA does not require the bank to collect and report small business loan data and the bank neither collected nor reported its data. As noted previously, the bank originated a limited number of small business loans during the evaluation period, with three originations in 2020 totaling \$1.4 million. Examiners did not present this loan type in the Geographic Distribution or Borrower Profile sections because such a low number of originations does not allow for meaningful analysis.

Although the evaluation presents the number and dollar volume of loans, examiners emphasized the percentage by number, as it better indicates the number of individuals served. Financial data was obtained from the March 31, 2021 Reports of Condition and Income (Call Report).

DESCRIPTION OF INSTITUTION

Background

Wakefield Co-operative Bank is a Massachusetts state-chartered co-operative bank headquartered in Wakefield, Massachusetts. The FDIC and Division assigned the institution a Satisfactory rating at its previous CRA Performance Evaluation, dated August 10, 2015, based on the FFIEC Interagency Small Institution Examination Procedures.

Operations

In addition to the main office at 342 Main Street in Wakefield, the bank operates two full-service branches. The Lynnfield branch is located in Essex County and the Melrose branch is in Middlesex County. The Melrose location is new since the prior CRA evaluation as it opened in December 2020. The Wakefield and Melrose offices are located in middle-income census tracts, and the Lynnfield office is located in an upper-income census tract. Product and service offerings are the same at all locations. No branches were closed, and no merger or acquisition activities occurred since the prior evaluation.

Wakefield Co-operative Bank offers loan products including fixed- and adjustable-rate mortgages, construction loans, second mortgage loans, and consumer loans. The bank provides various business and consumer deposit accounts. Alternative banking services include automated teller machines, on-line banking, bill pay, and mobile banking.

Ability and Capacity

The institution's assets totaled \$258.0 million as of March 31, 2021, and included total loans of \$189.8 million. The bank had total deposits of \$252.5 million as of the same date. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 03/31/21		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	14,133	7.4
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	135,058	71.1
Secured by Multifamily (5 or more) Residential Properties	15,789	8.3
Secured by Nonfarm Nonresidential Properties	20,801	11.0
Total Real Estate Loans	185,781	97.9
Commercial and Industrial Loans	4,053	2.1
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	4	0.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	189,838	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance is evaluated. Wakefield Co-operative Bank designated a single assessment area located in two counties. Both Middlesex and Essex County are within the Cambridge-Newton-Framingham, MA Metropolitan Division (MD 15764), which is part of the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA). The following sections discuss demographic and economic information relevant to the assessment area.

Economic and Demographic Data

The assessment area includes 164 census tracts. Wakefield Co-operative Bank designated a single assessment area that includes the municipalities of Acton, Arlington, Bedford, Belmont, Burlington, Concord, Everett, Lexington, Lincoln, Lynn, Lynnfield, Malden, Maynard, Medford, Melrose, Middleton, North Reading, Peabody, Reading, Saugus, Somerville, Stoneham, Sudbury, Wakefield, Winchester, and Woburn. The bank added Belmont, Lincoln, Lynn, Maynard, Middleton, and Sudbury to the assessment area since the previous evaluation. Of the municipalities, 21 are located in Middlesex County and 5 are in Essex County.

Low-income tracts are located in Everett, Lynn, Malden, Peabody, and Somerville. Moderate-income census tracts are located in Everett, Lynn, Malden, Medford, Melrose, Peabody, Saugus, and Somerville. The census tracts reflect the following income designations according to 2015 ACS data.

- 20 low-income census tracts,
- 36 moderate-income census tracts,
- 57 middle-income census tracts, and
- 51 upper-income census tracts.

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	164	12.2	22.0	34.8	31.1	0.0
Population by Geography	830,642	11.0	20.7	36.3	32.0	0.0
Housing Units by Geography	330,477	11.1	20.8	37.6	30.5	0.0
Owner-Occupied Units by Geography	188,086	5.1	15.8	39.4	39.7	0.0
Occupied Rental Units by Geography	125,825	19.7	28.0	35.3	17.0	0.0
Vacant Units by Geography	16,566	13.4	22.5	34.7	29.4	0.0
Businesses by Geography	74,849	9.3	15.5	37.5	37.7	0.0
Farms by Geography	1,232	9.7	11.9	36.4	42.0	0.0
Family Distribution by Income Level	202,993	23.1	16.3	20.0	40.5	0.0
Household Distribution by Income Level	313,911	26.0	15.2	16.5	42.4	0.0
Median Family Income MD - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Housing Value			\$435,151
			Median Gross Rent			\$1,316
			Families Below Poverty Level			6.6%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Examiners used the 2019 and 2020 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The median family income in the Cambridge-Newton-Framingham, MA MD increased from \$115,500 in 2019 to \$118,800 in 2020. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2019 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
2020 (\$118,800)	<\$59,400	\$59,400 to <\$95,040	\$95,040 to <\$142,560	≥\$142,560

Source: FFIEC

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Opportunities for home mortgage lending in the assessment area are slightly restricted, as 56.9 percent of the 330,477 housing units are owner-occupied. The remaining units are occupied rental units (38.1 percent) and vacant units (5.0 percent). In addition, housing is very expensive. The median housing cost of \$435,151 is well above the United States average of \$224,511.

According to the Bureau of Labor Statistics, the average unemployment rate as of April 2021 was 5.3 percent in the Boston–Cambridge–Newton, MA-NH MSA. This level is slightly lower than the Massachusetts statewide rate of 6.5 percent.

According to Moody’s Analytics, the top three employers in the Cambridge-Newton-Framingham, MA MD include Beth Israel Lahey Health, Harvard University, and TJX Co. Inc. Major employment sectors include professional and business services, education and health services, and government.

Competition

The bank operates in a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2019, 39 financial institutions operated 287 offices in the assessment area. Of these, Wakefield Co-operative Bank ranked 29th with a 0.6 percent branch office market share. The top three banks were Bank of America, Citizens Bank, and Century Bank and Trust Company. Collectively, these three banks held 38.8 percent of deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, according to aggregate data, 469 lenders reported 34,966 residential mortgage loans originated or purchased. Wakefield Co-operative Bank ranked 70th with a market share of 0.3 percent by number. The five most prominent home mortgage lenders accounted for 24.4 percent of total market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to those needs.

Examiners contacted a representative of a housing and community service organization that serves part of the bank’s assessment area. The contact discussed the rapid rise in housing costs, particularly for rental units. The contact also discussed the limited availability of affordable housing in the area. The area has limited land available for new housing development, and most new housing units are not affordable for low- or moderate-income individuals.

Credit Needs

Considering the information obtained from the community contact, bank management, and demographic and economic data, examiners noted affordable housing as the primary assessment area need. The rising real estate costs and the limited number of affordable housing units within the assessment area support this need. Consequently, flexible and affordable home loan products represent a primary credit need.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Wakefield Co-operative Bank demonstrated reasonable performance under the Lending Test. The bank's reasonable performance under each factor supports this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 88.0 percent over the past 24 calendar quarters from June 30, 2015 to March 31, 2021. The ratio ranged from a low of 73.6 percent as of March 31, 2021, to a high of 95.1 percent as of September 30, 2019. The ratio remained generally stable during the evaluation period, although an influx of deposits during the COVID-19 pandemic contributed to the lower ratio as of March 31, 2021.

The bank's average LTD ratio is less than three comparable institutions, but well above two other comparable institutions. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. The following table illustrates the bank's ratio compared to these other banks.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets as of 03/31/2021 (\$000s)	Average Net LTD Ratio (%)
Wakefield Co-operative Bank	280,106	88.3
Washington Savings Bank	265,249	98.5
BankGloucester	329,422	97.9
Marblehead Bank	276,765	93.3
North Cambridge Co-operative Bank	88,800	75.2
Methuen Co-operative Bank	115,545	65.0

Source: Reports of Condition and Income 6/30/2015-3/31/2021

Assessment Area Concentration

Overall, the bank originated a majority of its loans by number inside the assessment area and less than a majority by dollar. As the following table shows, overall lending by dollar was less than a majority primarily due to 2019 lending activities. Specifically, in 2019, the bank originated mortgages secured by investment properties in Boston. As the investment properties were in Boston, they had higher loan amounts than traditional residential mortgages. The following table shows the number of loans made inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	90	54.5	75	45.5	165	35,206	44.4	44,135	55.6	79,341
2020	124	59.0	86	41.0	210	49,227	53.7	42,451	46.3	91,678
Subtotal	214	57.1	161	42.9	375	84,433	49.4	86,586	50.6	171,019
Small Business	3	100.0	0	0.0	3	1,388	100.0	0	0.0	1,388
<i>Source: HMDA Reported Data; Bank Data</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. In 2019, lending in low-income census tracts was slightly above aggregate lending data and demographics. However, the bank’s performance in moderate-income census tracts was slightly below both demographics and aggregate performance. The bank’s 2020 lending decreased slightly in low- and moderate-income census tracts and was below demographic data.

Despite the decreasing trend, bank performance is reasonable given the location of its branches. More specifically, most of the assessment area’s low- and moderate-income census tracts are in towns where the bank does not operate a branch. Not having a physical presence in the area’s low- and moderate-income geographies impacts the bank’s lending distribution in these census tracts, especially with the high number of home mortgage lenders serving the assessment area. The following table details lending by census tract income level.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	5.1	6.4	7	7.8	2,481	7.0
2020	5.1	---	5	4.0	2,015	4.1
Moderate						
2019	15.8	16.8	13	14.4	5,581	15.9
2020	15.8	---	14	11.3	8,622	17.5
Middle						
2019	39.4	39.9	50	55.6	17,443	49.5
2020	39.4	---	67	54.0	22,916	46.6
Upper						
2019	39.7	37.0	20	22.2	9,701	27.6
2020	39.7	---	38	30.6	15,674	31.8
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Totals						
2019	100.0	100.0	90	100.0	35,206	100.0
2020	100.0	100.0	124	100.0	49,227	100.0
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2020 Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. In 2019, lending to low-income borrowers was nearly double the aggregate. Despite a slight percentage decrease in 2020, lending to low-income borrowers by number compared to 2019 increased, but remained less than demographics.

Although the bank's performance was below demographics, opportunity for lending to low-income individuals was limited. With a low-income family in 2019 making less than \$57,750, it would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$435,151. Furthermore, 6.6 percent of families are below the poverty level and often cannot afford home ownership. This helps explain the difference between aggregate performance and the percentage of low-income families.

In 2019, lending to moderate-income borrowers was slightly below the aggregate and demographic data. However, lending by number and percentage of loans to moderate-income borrowers increased in 2020, slightly exceeding the percentage of moderate-income families. The following table details lending by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	23.1	4.5	8	8.9	1,335	3.8
2020	23.1	---	9	7.3	1,979	4.0
Moderate						
2019	16.3	16.6	14	15.6	3,943	11.2
2020	16.3	---	21	16.9	5,763	11.7
Middle						
2019	20.0	23.1	25	27.8	9,101	25.9
2020	20.0	---	27	21.8	10,097	20.5
Upper						
2019	40.5	44.5	30	33.3	13,936	39.6
2020	40.5	---	56	45.2	24,163	49.1
Not Available						
2019	0.0	11.3	13	14.4	6,891	19.6
2020	0.0	---	11	8.9	7,225	14.7
Totals						
2019	100.0	100.0	90	100.0	35,206	100.0
2020	100.0	100.0	124	100.0	49,227	100.0
<i>Source: 2015 ACS Census; 1/1/2019 - 12/31/2020 Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDIX

FAIR LENDING POLICIES AND PROCEDURES

The Division provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the FFIEC Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not note any evidence of disparate treatment.

MINORITY APPLICATION FLOW

Examiners reviewed the bank's 2019 and 2020 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment area reflected assessment area's demographics.

According to the 2015 ACS Census Data, the assessment area contained a total population of 830,642 individuals of which 27.4 percent are minorities. The minority population represented is 5.7 percent Black/African American, 9.4 percent Asian, 0.1 percent American Indian, 9.5 percent Hispanic or Latino, and 2.7 percent other.

Examiners compared the bank's 2019 lending to 2019 aggregate. The comparison assists in deriving reasonable expectations for the application rate the bank received from minority home mortgage loan applicants. Refer to the following table for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

Minority Application Flow					
RACE	2019 Bank Data		2019 Aggregate Data	2020 Bank Data	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	1	0.7
Asian	1	0.9	10.1	15	9.8
Black/ African American	1	0.9	3.0	2	1.3
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	4	3.6	1.9	1	0.7
Total Minority	6	5.4	15.4	19	12.5
White	67	60.9	61.2	88	57.5
Race Not Available	37	33.7	23.4	46	30.0
Total	110	100.0	100.0	153	100.0
ETHNICITY					
Hispanic or Latino	1	0.9	6.5	2	1.3
Joint (Hisp/Lat /Not Hisp/Lat)	1	0.9	1.2	0	0.0
Total Ethnicity	2	1.8	7.7	2	1.3
Not Hispanic or Latino	70	63.6	69.3	106	69.3
Ethnicity Not Available	38	34.5	23.0	45	29.4
Total	110	100.0	100.0	153	100.0

*Source: 2019& 2020 HMDA Data *Due to rounding, totals may not equal 100.0 percent.*

In 2019, the bank received 110 HMDA reportable loan applications within its assessment area. Of these applications, the bank received 6 or 5.4 percent from minority applicants, of which, 5 or 83.3 percent resulted in originations. The aggregate received 15.4 percent of its applications from minority applicants, of which the bank originated 58.6 percent. For the same time period, the bank received 2 or 1.8 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which it originated 100.0 percent, compared to an aggregate ethnic minority application rate of 7.7 percent with a 54.5 percent origination rate.

In 2020, the bank received 153 HMDA reportable loan applications within its assessment area. Of these applications, the bank received 19 or 12.5 percent from minority applicants and 15 or 78.9 percent resulted in originations. For the same time period, the bank received 2 or 1.3 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which it originated 50.0 percent.

Considering the assessment area's demographic composition and comparisons to aggregate data, the bank's minority application flow is reasonable.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: 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 a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: 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 a geography.

Moderate-Income: 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 a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic

branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: 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 a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Deposit Insurance Corporation, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.