

# **PUBLIC DISCLOSURE**

September 25, 2017

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Abington Bank  
Certificate Number: 26549

6 Harrison Avenue  
Abington, MA 02351

**Division of Banks  
1000 Washington Street  
Boston, MA 02118**

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 concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of Abington Bank (Bank) prepared by the Division, the institution's supervisory agency, as of September 25, 2017. The Division rates the CRA performance of an institution consistent with the provisions set forth in the Division's regulation 209 CMR 46.00.

**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 assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following summarizes the Bank's performance.

The average net loan-to-deposit (LTD) ratio of 88.1 percent is reasonable given institution's size, financial condition and assessment area credit needs.

The Bank made a majority (55.6 percent) of its home mortgage loans within the assessment area during the evaluation period.

The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels, including low-and moderate-income individuals.

The geographic distribution of loans reflects adequate dispersion throughout the assessment area, including low-and moderate-income geographies.

The Bank did not receive any CRA-related complaints during the review period; therefore, this factor did not affect the CRA rating. The Bank has a reasonable performance in regards to fair lending policies and practices.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation assesses the Bank's CRA performance utilizing the Interagency Small Bank CRA Examination Procedures, as established by the Federal Institutions Examination Council (FFIEC) an institution with this designation has assets of less than 1.226 Billion as of December 31<sup>st</sup> of both of the prior two years. This examination was conducted concurrently with the Federal Reserve Bank of Boston.

The Lending Test considered the institution's performance according to the following criteria.

- Loan to Deposit Ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA related complaints and fair lending policies and practices.

### **Loan Products Reviewed**

Examiners determined that the Bank's major product is home mortgage loans. This conclusion considered the Bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

Examiners reviewed all originated and purchased home mortgage loans reported on the Bank's 2015 and 2016 Home Mortgage Disclosure Act (HMDA) loan application registers (LARs). The LARs contain data about home purchase and home improvement loans, including refinances of one-to-four family and multi-family properties. Examiners compared the Bank's home mortgage lending performance to the 2015 and 2016 aggregate lending data. Additionally, the Bank's performance was compared to 2010 U.S. Census data.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans. The number of loans is a better indicator of the number of individuals served. The Geographic Distribution and Borrower Profile criteria only include analysis of loans extended within the Bank's assessment area.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Abington Bank is a state-chartered, cooperative Bank headquartered in Abington, Massachusetts. In addition to its main office and branch located at 6 Harrison Avenue in Abington, the Bank operates a second location at 95 North Franklin Street in Holbrook. This branch opened as a result of a recent merger with Holbrook Cooperative Bank on April 1, 2017 and the location operates under the name "Holbrook Cooperative Bank, a Division of Abington Bank." Prior to the merger, both Banks offered similar products and services and operated in South Eastern Massachusetts. After the merger, Abington retained the same business model. Both branches have a drive-up window and an Automated Teller Machine (ATM). Banking hours are considered convenient and accessible to customers.

Abington Bank received a Satisfactory rating from the Division during its prior CRA evaluation on August 26, 2013. The evaluation assessed Abington Bank's CRA performance using Small Bank CRA Procedures.

### **Operations**

Abington Bank offers various financial products and services to consumers and business customers. The Bank offers loan products including home mortgage, home equity, and commercial loans, with a primary focus on residential lending. The Bank also provides various deposit services for consumers and businesses including checking and savings accounts.

### **Ability and Capacity**

As of June 30, 2017, the Bank had total assets of \$233.4 million. Total deposits represented \$201.4 million or 86.3 percent of total assets. Total loans represented \$176.4 million or 75.5 percent to total assets. Since the last CRA evaluation, the assets have increased by 49.9 percent and net loans have increased by 53.2 percent. The Bank attributes the asset and loan growth to the merger between Abington and Holbrook Cooperative Bank in April 2017.

The recent merger resulted in an increase in the commercial loan portfolio representing loan types of commercial and industrial loans and loans secured by non-farm non-residential properties. Residential real estate loans remain the primary loan type for Abington Bank.

<b>Loan Portfolio Distribution as of June 30, 2017</b>		
<b>Loan Type</b>	<b>Dollar Amount \$(000s)</b>	<b>% of Total Loans</b>
Revolving, Open-end Loans secured by 1-4 family Residential Properties and extended under lines of credit	6,447	3.6
Closed-end Loans Secured by 1-4 Family residential Properties	82,128	46.6
Secured by Multi-Family (5 or more) Residential Properties	12,140	6.8
<b>Total Residential Real Estate Loans</b>	<b>110,243</b>	<b>57.0</b>
Secured by Nonfarm Nonresidential Properties	56,734	32.2
<b>Total Real Estate Loans</b>	<b>166,977</b>	<b>89.2</b>
Construction, Land Development Loans	9,528	5.4
Commercial and Industrial	7,693	4.3
Loan to Individuals for Household, Family and other personal expenses	1,421	0.9
Other loans	261	0.2
<b>Total Loans</b>	<b>176,352</b>	<b>100</b>
<i>Source: June 30, 2017 Call Report</i>		

Examiners did not identify any financial or legal impediments that would limit the Bank’s ability to meet the credit needs of the community.

## DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institutions to designate one or more assessment area(s) within which its CRA performance will be evaluated. Abington Bank designated a single assessment area which encompasses both Plymouth and Norfolk Counties, both located in the Boston, MA Metropolitan Division. The assessment area consist of the following 10 cities and towns; Abington, Brockton, East Bridgewater, Hanover, Hanson, Pembroke, Rockland, Whitman, Holbrook and Weymouth.

### **Economic and Demographic Data**

The Bank’s assessment area consist of 53 census tracts that reflect the following designations according to the 2010 U.S. Census: 4 low-income tracts; 15 moderate-income tracts; 28 middle-income tracts; and 6 upper-income tracts.

At the last examination, the Bank’s assessment area consisted of 6 towns and included Abington, Rockland, Whitman, Hanson, Pembroke and East Bridgewater and all represented middle-and upper-income census tracts. In February 2014, the Bank added Brockton, Hanover, Weymouth and Holbrook to the assessment. With these additions and updates to demographic data, low and moderate-income census tracts were added to the assessment. The 4 low-income census tracts are within Brockton and 12 of the 15 moderate-income census tracts are also in Brockton. The remaining 3 moderate-income census tracts are within Weymouth, Holbrook and Rockland. The following table illustrates select demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	53	7.5	28.3	52.8	11.3	0.0
Population by Geography	262,026	6.3	27.6	53.1	13.1	0.0
Housing Units by Geography	103,171	6.5	28.0	53.3	12.2	0.0
Owner-Occupied Units by Geography	67,954	2.5	23.3	59.2	15.1	0.0
Occupied Rental Units by Geography	29,626	14.0	37.5	42.1	6.4	0.0
Vacant Units by Geography	5,591	14.9	34.4	41.6	9.1	0.0
Businesses by Geography	16,174	5.1	22.1	55.9	17.0	0.0
Farms by Geography	312	1.0	13.8	68.9	16.3	0.0
Family Distribution by Income Level	66,978	22.6	19.7	24.5	33.2	0.0
Household Distribution by Income Level	97,580	24.6	16.0	20.0	39.4	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$83,664	Median Housing Value			\$323,363
Families Below Poverty Level		6.7%	Median Gross Rent			\$992
<i>Source: 2010 U.S. Census and 2015 D&amp;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.</i>						

The FFIEC-updated median family income (MFI) level is used to analyze home mortgage lending under the Borrower Profile criterion. The low-, moderate-, middle-and-upper income categories are presented in the following table.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA MD Median Family Income (14454)</b>				
2015 (\$90,000)	<\$45,000	\$45,000 to <\$72,000	\$72,000 to <\$108,000	≥\$108,000
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$181,160	≥\$181,160
<i>Source: FFIEC</i>				
<i>Due to rounding, totals may not equal 100.0</i>				

The assessment area consists of 103,171 housing units, of which 67,954 or 65.9 percent are owner-occupied units, 29,626 or 28.7 percent are rental units, and 5,591 or 5.4 percent are vacant. Within the low-income census tracts, rental and vacant units comprise a relatively high percent of the housing stock at 14.0 and 14.9 percent, respectively. This low availability of owner-occupied units suggests that home mortgage lending opportunities may be limited in these census tracts. Within moderate-income census tract, the level of owner occupancy is at 23.3 percent, while rental units comprise 37.5 percent of the housing stock and vacant units represent 34.4 percent which may also limit financing opportunities. The level of owner-occupancy is highest in middle income census tracts at 59.2 percent.

The median housing value in the assessment area is \$323,363. Housing values within the low-income census tracts are high in relation to the MFI in these tracts. The average median housing values (MHV) in the 4 low-income census tracts in Brockton represent 97 percent (\$314,728) of the assessment area MHV; however, the average MFI of \$37,683 in these tracts represents only 41 percent of the Boston Quincy Metropolitan Division MFI as of the 2010 U.S. Census.

Housing values within moderate-income census tracts are more affordable. The average MHV within moderate-income census tracts represents 87.0 percent (\$281,660) of the assessment area MHV, while the average MFI of \$58,859 in these tracts represents 65.3 of the Boston Quincy Metropolitan Division MFI. The current economic conditions and employment opportunities also have an impact on loan demand and the overall volume of home purchase activity. Economic conditions in the assessment area are stable and improving. According to the U.S. Bureau of Labor Statistics, unemployment rate for Massachusetts was 3.1 percent as of December 2016. The unemployment rate for Norfolk County was lower, at 2.4 percent, and higher for Plymouth County, at 2.9 percent. The unemployment rates for the Commonwealth of Massachusetts, Norfolk County, and Plymouth County have all decreased relative to their December 2015 levels of Massachusetts statewide, Norfolk County 3.6 percent and Plymouth County 4.5 percent. The economies of Norfolk and Plymouth Counties are diverse, supported by a mixture of service and manufacturing-oriented sectors. According to the D&B report, there are 15,523 businesses operating within the Bank's assessment area. The vast majority of the businesses, 77.3 percent, have gross annual revenues less than or equal to \$1 million. Most businesses, 53.9 percent, are located in middle-income census tracts, while 23.4 percent are located in moderate-income census tracts. Primary industries in the assessment area include retail trade, healthcare, and higher education. Major employers within the



assessment area include Massasoit Community College, Brockton, MA; and Bridgewater State University, Bridgewater, MA

### **Competition**

The competition in the assessment area is strong and is dominated by large national banks and mortgage companies. According to 2016 HMDA data, there were 340 HMDA reporters who originated or purchased 11,243 home mortgage loans within the bank's assessment area. Abington Bank ranked 50th among these HMDA reporters. The top lenders were Wells Fargo Bank, N.A., Quicken Loans, Inc., and Loandepot.com. In 2015, there were 307 HMDA reporters who originated or purchased 9,620 home mortgage loans. Abington Bank was ranked forty-seventh among these reporters.

### **Community Contact**

In conjunction with this CRA evaluation, an interview was conducted with a community contact. This organization is a regional non-profit organization focused on providing housing services and development of affordable housing in Plymouth and Bristol counties. The organization helps low- and moderate-income families and individuals secure affordable housing. The contact discussed a number of economic challenges facing the city of Brockton, there is a strong demand for and limited supply of adequate and affordable housing in the area. The contact stated that increased partnerships with community development groups and local housing agencies would help assist the organization in addressing the affordable housing challenges.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Abington Bank demonstrated reasonable performance under the Lending Test. The following details the bank's performance for each criterion.

#### Loan-to-Deposit Ratio

The average net Loan to Deposit ratio (LTD) 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 88.1 percent over the past 16 calendar quarters from September 30<sup>th</sup> 2013 to June 30<sup>th</sup> 2017. The ratio ranged from a low of 78.7 percent as of December 31, 2013, to a high of 97.5 percent as of December 31, 2015. The Bank originates and maintains loans in its own portfolio and also originates and sells loans to the Federal Home Loan Bank. During the evaluation period the Bank sold 72 loans totaling 17.6 million to the Federal Home Loan Bank.

Abington Bank's average net LTD ratio is higher than that of comparable institutions. This is shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of June 30, 2017 \$(000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Abington Bank</b>	233,408	88.1
Canton Co-operative Bank	110,560	60.9
Coastal Heritage Bank	330,944	72.9
Source: reports of Income and condition 9/30/13 through 6/30/17		

#### Assessment Area Concentration

The Bank made a majority of loans by number, inside of its assessment area. The majority of loans by dollar volume was made outside its assessment area. The Bank attributed this to pre-existing relationships and existing customers moving to areas outside of the Bank's assessment area, primarily in the area of Boston. Many of these customers have real estate investment properties. These loans are in areas of Boston where real estate prices are higher than home prices in the Abington assessment area. This would explain why a higher percentage of loans by dollar volume was originated outside of the assessment area. Considering the strong competition in the assessment area and assessment area demographics, this level of lending is reasonable.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home										
2015	40	55.5	32	44.4	72	8,636	30.7	19,463	69.2	28,099
2016	49	55.6	39	44.3	88	11,686	44.2	14,708	55.7	26,394
<b>Total</b>	<b>89</b>	<b>55.6</b>	<b>71</b>	<b>44.3</b>	<b>160</b>	<b>20,322</b>	<b>37.3</b>	<b>34,171</b>	<b>62.7</b>	<b>54,493</b>
<i>Source: 2015, 2016, and 2 quarters of 2017 HMDA Reported Data, (*)2017 Bank Records</i>										

### **Borrower Profile**

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable.

In 2015, the Bank originated one loan or 2.5 percent to low-income borrowers. This level of lending is lower than the aggregate of 6.5 percent. In 2016, the Bank increased its lending to 3 low-income borrowers and is in line with the 2016 aggregate. In 2015, the Bank's lending to moderate-income borrowers at 10.0 percent is lower than the aggregate of 23.1 percent. There is a slight increase in 2016 of 10.2 percent while still below the aggregate.

There are several factors that contribute to this performance relative to the 2015 and 2016 aggregate. Low and moderate-income families represent 42.3 percent of families in the assessment area and not all families in these income categories can qualify for a home mortgage loan. This factor combined with the high cost of housing limits opportunities for affordable home ownership. Considering the performance context factors and significant percentage of low and moderate-income families in the assessment area, the Bank's lending is considered reasonable.

The table below illustrates the distribution of home mortgage loans by borrower income level.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2015	22.6	6.5	1	2.5	200	2.3
2016	22.6	6.2	3	6.1	313	2.7
<b>Moderate</b>						
2015	19.7	23.1	4	10.0	601	7.0
2016	19.7	22.3	5	10.2	795	6.8
<b>Middle</b>						
2015	24.5	24.0	12	30.0	2,331	27.0
2016	24.5	27.2	10	20.4	1,929	16.5
<b>Upper</b>						
2015	33.2	24.0	12	30.0	2,817	32.6
2016	33.2	26.6	17	34.7	4,137	35.4
<b>Not Available</b>						
2015	0.0	22.4	11	27.5	2,687	31.1
2016	0.0	17.7	14	28.6	4,512	38.6
<b>Totals</b>						
<b>2015</b>	<b>100.0</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>8,636</b>	<b>100.0</b>
<b>2016</b>	<b>100.0</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>11,686</b>	<b>100.0</b>
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.</i>						

## Geographic Distribution

The geographic distribution of home mortgage loans reflects adequate dispersion throughout the assessment area. Examiners focused on the percentage by number of loans originated in low and moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	2.5	3.0	0	0.0	0	0.0
2016	2.5	3.0	0	0.0	0	0.0
Moderate						
2015	23.3	23.4	5	12.5	1,063	12.3
2016	23.3	22.6	7	14.3	2,171	18.6
Middle						
2015	59.2	58.0	26	65.0	5,652	65.4
2016	59.2	57.0	32	65.3	7,722	66.1
Upper						
2015	15.0	15.6	9	22.5	1,921	22.2
2016	15.0	15.5	10	20.4	1,793	15.3
Not Available						
2015	0.0	0.0	0	0.0	0	0.0
2016	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2015</b>	<b>100.0</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>8,636</b>	<b>100.0</b>
<b>2016</b>	<b>100.0</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>11,686</b>	<b>100.0</b>
<i>Source: 2015 ACS U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0</i>						

Examiners focused on the comparison of the Bank's lending to aggregate data for 2015 and 2016. In 2015 and 2016, the Bank did not originate any loans in low-income census tracts. In 2016, one loan application was received from a low-income area however it was not accepted by the applicant therefore not originated and included in the above chart.

In 2015, the Bank originated 5 loans at 12.5 percent in the moderate-income tracts, which is lower than the aggregate of 23.4 percent. In 2016, the Bank increased its loan originations to 7 loans in the moderate-income census tracts and remained below the 2016 aggregate of 22.6 percent.

Several factors can explain the Bank's performance. The assessment area's low and moderate-income areas are concentrated in Brockton. This particular area faces strong residential lending competition and is dominated by large national banks who have had a long term presence in Brockton. With the Bank's recent addition of Brockton to their lending footprint, the Bank has had challenges in competing with the top lenders. Another factor to consider is that low-income areas of Brockton have an owner occupancy level of 2.5 percent. The low level of owner occupancy is an indicator of limited homeownership opportunities.

Considering the performance context factors and competition in the assessment area, the Bank's overall geographic distribution performance is reasonable.

### **Response to CRA Complaints**

The Bank received no complaints pertaining to the institution's CRA performance during the evaluation period.

### **Fair Lending Policies and Procedures**

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the Bank's overall rating.

### **Minority Application Flow**

According to the 2010 U.S. Demographic data shows, the Bank's assessment area has a population of 262,026 of which 26.1 percent are minorities. Ethnic and racial minority demographics indicate Black and Hispanic represent the largest minority population followed by Asian, American Indian, and Hawaiian Pacific Islander.

Abington Bank's 2015 and 2016 HMDA data were reviewed to determine whether the application flow from different minority groups within the Bank's assessment area was reflective of the assessment area demographics. The Bank's residential applications was compared to the 2016 aggregate performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants within its assessment area.

Refer to the table below for further details.

<b>MINORITY APPLICATION FLOW</b>					
<b>RACE</b>	<b>2015 Bank</b>		<b>2016 Bank</b>		<b>2016 Aggregate Data</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
American Indian/ Alaska Native	0	0.0	0	0.0	0.2
Asian	1	2.1	0	0.0	2.0
Black/ African American	0	0.0	1	1.6	12.7
Hawaiian/Pacific Islander	0	0.0	0	0.0	0.2
2 or more Minority	0	0.0	0	0.0	0.1
Joint Race (White/Minority)	0	0.0	0	0.0	1.3
<b>Total Minority</b>	<b>1</b>	<b>2.1</b>	<b>1</b>	<b>1.6</b>	<b>16.5</b>
White	41	85.4	52	83.9	62.1
Race Not Available	6	12.5	9	14.5	21.4
<b>Total</b>	<b>48</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	0	0.0	0	0.0	4.1
Not Hispanic or Latino	42	87.5	52	83.9	74.1
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	0	0.0	1.0
Ethnicity Not Available	6	12.5	10	16.1	20.8
<b>Total</b>	<b>48</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>	<b>100.0</b>

*Banks 2015 and 2016 HMDA LAR, 2015 and 2016 aggregate data and 2010 U.S Census Data*

In 2015, the Bank received 48 HMDA-reportable loan applications within its assessment area. Of these applications, 1 was received from a racial minority applicants. In 2015, the Bank did not receive any applications representing the Hispanic or Latino ethnic groups performing below the 2015 aggregate performance. In 2016, the Bank had a similar performance

During the review period, the Bank exhibited a focus to different segments of the population through outreach initiatives and operations. The minority application flow remains low and below the aggregate performance. The Bank is encouraged to continue to monitor its application levels going forward to remain apprised of any trends and opportunities.

## 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 metropolitan 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 refinancing 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, 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 6 Harrison Ave. Abington, MA 02351

- 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.