

PUBLIC DISCLOSURE

June 3, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank Five
Certificate Number: 23286

79 North Main Street
Fall River, Massachusetts 02720

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of BankFive (bank) prepared by the Massachusetts Division of Banks (Division), the institution’s supervisory agency as of June 2, 2024. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION’S CRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding 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.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Satisfactory**			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated Outstanding.

- Lending levels reflect good responsiveness to its assessment area’s credit needs.
- The bank made a majority of its loans in its assessment area.
- The geographic distribution of loans reflects an excellent penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, reasonable penetration among retail customers of different income levels and business customers of different sizes.
- The bank uses innovative or flexible lending practices in order to serve the credit needs of its assessment area.
- The bank is a leader in making community development loans.
- Fair lending policies and procedures are adequate.

The Investment Test is rated Outstanding.

- The bank has an excellent level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits excellent responsiveness to credit and community development needs. The bank makes significant use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated Outstanding.

- Delivery systems are reasonably accessible to essentially all portions of the bank's assessment area, including low- and moderate-income areas.
- To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals.
- The bank has an excellent level of qualified community development services.

DESCRIPTION OF INSTITUTION

Background

BankFive is a mutual bank originally incorporated in 1855 as Fall River Five Cents Savings Bank. BankFive is headquartered in Fall River, Massachusetts and currently operates in Bristol, Norfolk, and Barnstable counties in Massachusetts and Bristol and Providence Counties in Rhode Island. The bank's holding company is BankFive, MHC; it owns and operates four subsidiaries noted as Hills and Mills Security Corp., North Main Security Corp., Spindle City Realty, LLC, and Taunton River Realty, LLC.

The Division assigned a "High Satisfactory" rating at its previous Performance Evaluation, dated March 14, 2022, based on Intermediate Small Institution Examination Procedures.

Operations

BankFive operates 13 full-service branches, with six locations in Fall River, two in New Bedford, and one each in Dartmouth, Fairhaven, Somerset, and Swansea in Massachusetts; and one in Bristol, Rhode Island. Additionally, the bank operates lending offices in Hyannis, Lynnfield, Westport, and Wrentham in Massachusetts, and in Cranston, Rhode Island. The corporate office is located at 79 North Main Street in Fall River in a low-income census tract. Two other branches in Fall River and one in New Bedford are in low-income census tracts. Branches in Fall River and New Bedford are in moderate-income census tracts. The branches in Fairhaven, North Dartmouth, and Somerset are in middle-income tracts; and two branches in Fall River, and one each in Swansea and Bristol, RI lie in upper-income tracts. All branches maintain 24-hour Automated Teller Machines (ATMs).

The bank is a full-service financial institution that offers a wide variety of products and services. The bank's deposit product offering consists of personal checking accounts, savings accounts, money market accounts, credit cards, Certificates of Deposit and Individual Retirement Accounts. The bank also offers commercial checking accounts, savings accounts, credit cards, money market accounts, and Certificates of Deposit. The bank's lending products include fixed and adjustable-rate mortgages, construction loans, land loans, equity loans and lines of credit, auto loans, consumer loans, and energy loans. The bank also offers commercial loans and lines of credit as well as SBA loans.

Ability and Capacity

As of March 31, 2024, BankFive's assets totaled approximately \$1.8 billion, which included total loans of \$1.4 billion and liabilities of \$1.7 billion, which included deposits of \$1.3 billion. The bank's total assets increased about \$400 million since the previous evaluation. The loan portfolio mix reflects a high concentration in residential lending, remaining consistent with the previous evaluation. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 03/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	56,850	4.0
Secured by Farmland	0	0
Secured by 1-4 Family Residential Properties	670,442	46.7
Secured by Multifamily (5 or more) Residential Properties	83,711	5.8
Total Residential Real Estate Loans	811,003	56.5
Secured by Nonfarm Nonresidential Properties	438,044	30.5
Commercial and Industrial Loans	135,279	9.4
Total Commercial Loans	573,323	39.9
Agricultural Production and Other Loans to Farmers	30,269	2.1
Consumer Loans	23,166	1.6
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	0	0
Less: Unearned Income	1,635	
Total Loans	1,436,126	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 will be evaluated. Bank Five designates a single assessment area that comprises all of the state of Rhode Island as well as Bristol County in Massachusetts. Since the previous examination, the bank added the Rhode Island Counties of Kent, Providence, and Washington to the assessment area.

The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The assessment area includes 381 census tracts. The tracts reflect the following income designations according to the 2020 US Census Data:

- 47 low-income tracts
- 69 moderate-income tracts
- 150 middle-income tracts
- 109 upper-income tracts
- 6 tracts with no income designations

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	381	12.3	18.1	39.4	28.6	1.6
Population by Geography	1,676,579	10.5	17.6	40.3	31.3	0.2
Housing Units by Geography	705,332	10.2	17.9	41.2	30.4	0.2
Owner-Occupied Units by Geography	393,874	4.1	12.2	44.4	39.3	0.0
Occupied Rental Units by Geography	241,221	20.1	27.0	36.6	16.0	0.4
Vacant Units by Geography	70,237	11.0	19.3	39.3	30.2	0.2
Businesses by Geography	174,247	9.0	14.2	42.0	34.6	0.2
Farms by Geography	4,611	4.2	8.7	38.3	48.8	0.1
Family Distribution by Income Level	402,793	22.8	16.2	20.6	40.5	0.0
Household Distribution by Income Level	635,095	26.6	14.6	16.6	42.2	0.0
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555	Median Housing Value			\$301,319
			Median Gross Rent			\$1,023
			Families Below Poverty Level			8.0%
<i>Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income;</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the Borrower Profile criterion analyzes the distribution of the bank’s small business loans by the gross annual revenue (GAR) of the business for each year. According to 2023 D&B data, there were 174,247 non-farm businesses in the AAs. Listed below are the GARs for these businesses:

- 89.6 percent have GARs of \$1.0 million or less,
- 3.6 percent have GARs of more than \$1.0 million, and
- 6.9 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.6 percent, followed by non-classifiable establishments at 19.1 percent, finance/insurance at 12.4 percent, and retail trade at 11.5 percent. Additionally, 65.5 percent of businesses employ four or fewer employees, and 92.8 percent operate from a single location.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
2023 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
<i>Source: FFIEC</i>				

Competition

The assessment area is a competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2023, 25 financial institutions operated 361 offices within the assessment area. Of these institutions, BankFive ranked 11th with a 2.2 percent deposit market share. The four institutions with the highest deposit market shares accounted for 64.3 percent of total market share. These entities are larger depository institutions serving much larger multi-regional or multi-state areas, in addition to this assessment area.

There is a high level of competition for home mortgage loans among the area's banks, credit unions, and non-depository mortgage lenders. In 2023, 473 lenders reported 34,160 originations and purchases of home mortgage loans. The top ten lenders, which were primarily larger national credit unions, large regional banks, and large national depository institutions and mortgage companies, accounted for 36.6 percent of total market share.

There is also a high level of competition for small business loans within the AAs. In 2022, 153 lenders reported 41,857 small business loans within the assessment area. The top ten lenders, which were primarily large national banks, accounted for 78.1 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 and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners reviewed a recent community contact with a local economic development corporation that serves southern Massachusetts and Rhode Island. The organization works to improve the region's economy by assisting businesses with financing and technical assistance. The contact noted that the area contains a large population of low- and moderate-income individuals. Further, the contact noted that there is a need to increase access to low-cost checking accounts for low-income individuals. Specifically, the contact cited a need for deposit accounts with no minimum balance and no credit score requirement. The contact also cited a need for affordable housing in the assessment area and affordable rental housing. For small businesses, the contact noted that financing is generally available; however, many small businesses do not meet the underwriting standards. The contact noted that there is an opportunity for institutions to offer small business loans with more flexible underwriting standards. There is also a need for small business technical assistance to help prepare small businesses to apply for a loan. Overall, the contact noted that local institutions were responsive to community needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and the demographic and economic data, examiners determined that affordable housing represents a primary community development need, and loans to develop affordable housing are primary credit needs. Additionally,

examiners identified a need for lending to and providing advice to small businesses. There is also a need for low-cost deposit products for low-income individuals.

SCOPE OF EVALUATION

General Information

The CRA requires the Division to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, consistent with safe and sound operation of the institution. Examiners used the Interagency Large Institution CRA Examination Procedures to evaluate Bank Five's performance since the previous evaluation dated March 14, 2022, to the current evaluation date of June 2, 2024. This is the bank's first examination under Large Institution CRA Examination Procedures.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage loans and small business loans based on its business strategy and the number and dollar volume of loans originated or purchased during the evaluation period.

Examiners analyzed all home mortgage loans, originated and purchased, reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2022 and 2023. During the evaluation period, the bank reported 1,043 home mortgage loans totaling \$717.5 million inside the AAs. Examiners compared the bank's home mortgage lending to 2020 U.S. Census data. Examiners also compared the bank's home mortgage lending performance to aggregate HMDA data for 2022 and 2023.

Examiners analyzed all small business loans reported on the bank's CRA loan registers for 2022 and 2023. During the evaluation period, the bank reported 233 small business loans totaling \$89.3 million in the assessment area. Examiners compared the bank's record of small business lending to D&B demographic data for 2022 and 2023, and to the aggregate small business loan data for 2022, which reflects the most recently available data.

Under the Lending Test, examiners placed more weight on BankFive's home mortgage lending given the bank's historical performance and strategic focus of being primarily a residential mortgage lender. BankFive's small business lending was also material to the performance conclusions. In addition, while the evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals and businesses served.

Examiners also reviewed the bank's community development loans, investments, and services, as well as innovative and/or flexible lending practices, for the period from the previous CRA evaluation date to the current evaluation date. Qualified investments included new investments and grants and outstanding qualified investments from prior evaluation periods. Under the Service Test, examiners reviewed the bank's branch network, alternative delivery systems, and any impact of

branch openings or closings since the prior evaluation. Examiners also reviewed retail banking products or services targeted to low- and moderate-income individuals or small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank's performance is Outstanding under the Lending Test. BankFive's performance under the Lending Activity, Geographic Profile, Innovative or Flexible Lending criteria, and Community Development Loans primarily supported this conclusion. The following sections discuss the bank's performance under each criterion in more detail.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. Bank Fives's lending activity and market ranking among all lenders that reported home mortgage and small business loans during the evaluation period support this conclusion. In 2022, the bank originated 621 home mortgage loans totaling \$178.9 million in the assessment area. According to 2022 aggregate HMDA data, the bank ranked 21st, by number of home mortgage originations and purchases, out of 502 lenders. In 2023, the bank originated 422 home mortgage loans totaling \$103.9 million in the assessment area. According to 2023 aggregate HMDA data, the bank ranked 22nd, by number of home mortgage originations and purchases, out of 473 lenders.

In 2022, the bank originated 122 small business loans totaling \$29.4 million in its assessment area. In 2023, the bank originated 111 small business loans totaling \$21.4 million in its assessment area. The loan portfolio mix remained materially unchanged from the prior evaluation, focusing on home mortgage and small business lending throughout its assessment area.

In addition, the bank extended \$31.7 million in community development loans in its assessment area, which supported affordable housing, economic development, and the revitalization and stabilization of low- and moderate-income geographies.

Assessment Area Concentration

BankFive originated a majority of its home mortgage and small business loans within the overall assessment area. During the review period, the bank originated 53.5 percent of home mortgage loans and 69.1 percent of small business loans inside the assessment area. Of note is the reduction of 500 mortgage loans from 2022 to 2023; however, the percentage within the assessment area increased by 7.5 percent. The number of small business loans in the area was very consistent during the review period, maintaining approximately 69 percent within 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										
2022	621	50.7	604	49.3	1,225	178,895	37.4	299,770	62.6	478,665
2023	422	58.2	303	41.8	725	103,870	43.5	134,935	56.5	238,805
Subtotal	1,043	53.5	907	46.5	1,950	282,765	39.4	434,705	60.6	717,470
Small Business										
2022	122	69.3	54	30.7	176	29,407	59.9	19,718	40.1	49,125
2023	111	68.9	50	31.1	161	21,397	53.2	18,811	46.8	40,208
Subtotal	233	69.1	104	30.9	337	50,804	56.9	38,529	43.1	89,333
Total	1,276	55.8	1,011	44.2	2,287	333,569	41.3	473,234	58.7	806,803
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects, given the demographics of the assessment area, an excellent dispersion. The bank's performance in both home mortgage and small business lending supports this conclusion. Examiners focused on the number and percentage of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area, particularly to low- or moderate-income geographies. BankFive outpaced the aggregate by 1.2 percent in 2022 and by 3.4 percent in 2023 in low-income areas. The bank also exceeded the demographic comparator in both years, by 2.3 and 4.7 percent, respectively. In moderate-income areas, the bank was 5.1 percent over the aggregate in 2022 and in 2023 this increased to 8.9 percent. The bank's level of lending exceeded the demographic comparator by 7.1 percent in 2022 and 10.5 percent in 2023.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.1	5.2	40	6.4	20,430	11.4
2023	4.1	5.4	37	8.8	12,025	11.6
Moderate						
2022	12.2	14.2	120	19.3	28,410	15.9
2023	12.2	13.8	96	22.7	19,530	18.8
Middle						
2022	44.4	43.8	217	34.9	44,635	25.0
2023	44.4	44.7	136	32.2	30,650	29.5
Upper						
2022	39.3	36.8	244	39.3	85,420	47.7
2023	39.3	36.0	152	36.0	41,340	39.8
Not Available						
2022	0.0	0.1	0	0.0	0	0.0
2023	0.0	0.1	1	0.2	325	0.3
Total						
2022	100.0	100.0	621	100.0	178,895	100.0
2023	100.0	100.0	422	100.0	103,870	100.0
<i>Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. In 2022, BankFive exceeded the aggregate performance in small business loans in both low- and moderate-income areas. The bank's lending to low-income census tracts was similar to both the aggregate and demographic comparator in 2022. The bank's performance in low-income tracts doubled in 2023, exceeding the demographic comparator by 9.0 percent. The bank was particularly strong in moderate-income areas as their percentage of 28.7 more than doubled the 14.2 percent of the aggregate and demographic comparator. While the bank's level of lending to moderate-income tracts declined in 2023, the bank's performance still leads the demographic comparator by 7.4 percent.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	8.9	8.6	11	9.0	2,294	7.8
2023	9.0	--	20	18.0	3,624	16.9
Moderate						
2022	14.0	14.2	35	28.7	7,336	24.9
2023	14.2	--	24	21.6	6,130	28.6
Middle						
2022	42.0	41.9	33	27.0	10,885	37.0
2023	42.0	--	38	34.2	5,358	25.0
Upper						
2022	34.9	35.2	43	35.2	8,892	30.2
2023	34.6	--	29	26.1	6,285	29.4
Not Available						
2022	0.2	0.1	0	0.0	0	0.0
2023	0.2	--	0	0.0	0	0.0
Total						
2022	100.0	100.0	122	100.0	29,407	100.0
2023	100.0	--	111	100.0	21,397	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data, 2022 CRA Aggregate Data, 2023 data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetrations among individuals of different income levels and businesses of different sizes in the assessment area.

Home Mortgage Loans

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 borrowers. The bank's 2022 lending to low-income borrowers leads aggregate performance by 0.6 percent. In 2023, the bank trailed the aggregate by 0.3 percent. In 2022, the bank's lending to moderate-income borrowers was comparable to the aggregate, while leading the demographic comparator by 4.4 percent. In 2023, the bank's level of lending to moderate-income borrowers increased to 23.7 percent, leading aggregate performance by 4.8 percent and the demographic comparator by 7.5 percent.

In both 2022 and 2023, the aggregate performance of all lenders, including BankFive, was below the percentage of families categorized as low-income, with an annual income of less than \$49,800

in 2022 and less than \$54,150 in 2023. The average median housing value in the assessment area was \$301,319. This data, coupled with 8.0 percent of families in the assessment area falling below the poverty line, explains why a large percentage of low-income families would not meet the standards to repay the loan amount under conventional underwriting standards.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	22.8	6.3	43	6.9	3,965	2.2
2023	22.8	6.2	25	5.9	2,155	2.1
Moderate						
2022	16.2	20.7	128	20.6	22,320	12.5
2023	16.2	18.9	100	23.7	16,090	15.5
Middle						
2022	20.6	26.3	151	24.3	33,045	18.5
2023	20.6	27.0	114	27.0	27,050	26.0
Upper						
2022	40.5	34.8	245	39.5	85,565	47.8
2023	40.5	35.5	151	35.8	45,075	43.4
Not Available						
2022	0.0	12.0	54	8.7	34,000	19.0
2023	0.0	12.4	32	7.6	13,500	13.0
Total						
2022	100.0	100.0	621	100.0	178,895	100.0
2023	100.0	100.0	422	100.0	103,870	100.0
<i>Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects reasonable distribution of credit to small businesses. The bank originated 45.1 percent of all loans to business with Gross Annual Revenues (GARs) of \$1 million and below in 2022. This performance is below aggregate performance by 6 percent. While the bank’s performance compares unfavorably to the percentage of businesses with GARs of \$1 million or less in the assessment area, the number of businesses with GARs of \$1 million or less is not a true measure of demand. In addition, the bank faces competition from larger institutions in its assessment area to originate small business loans. Given these factors, the bank’s lending performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Bank Five 2023 Assessment Area						
Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	88.4	51.1	55	45.1	10,741	36.5
2023	89.4	--	57	51.4	4,504	21.0
>\$1,000,000						
2022	4.1	--	40	32.8	16,060	54.6
2023	3.6	--	51	45.9	16,719	78.1
Revenue Not Available						
2022	7.6	--	27	22.1	2,606	8.9
2023	7.0	--	3	2.7	174	0.8
Total						
2022	100.0	100.0	122	100.0	29,407	100.0
2023	100.0	--	111	100.0	21,397	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data, 2022 CRA Aggregate Data, 2023 data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

BankFive uses innovative and flexible lending programs to serve the assessment areas' credit needs. Examiners assessed these programs according to the degree to which the loans serve low- and moderate-income borrowers in new ways or serve creditworthy borrowers not previously served by the bank, and the success of these products in terms of number and dollar volume originated during the evaluation period.

During the evaluation period, BankFive originated 1,184 loans totaling \$144.8 million using innovative or flexible loan programs. The bank also added several new innovative and/or flexible lending programs since the prior evaluation. The following table illustrates the total number and dollar amount of innovative and flexible lending programs offered during the evaluation period by program type.

The following table shows the number and dollar volume of loans originated through each of the bank's innovative or flexible programs.

Innovative or Flexible Lending Programs						
Type of Program	2022		2023		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
FHA	56	24,054	70	34,235	126	58,289
MassHousing	17	5,354	9	3,738	26	9,092
Equity Builder	3	66	3	87	6	153
Freddie Mac Home Possible	3	1,001	11	3,846	14	4,847
Generator Loan	4	43	0	0	4	43
FHA Title I	4	89	0	0	4	89
VA	1	389	4	1,571	5	1,960
MassHousing - Septic	1	25	3	73	4	98
RI Housing	4	1,379	28	9,280	32	10,659
Affordable Smart	0	0	4	3	4	3
Housing Our Workforce	0	0	2	50	2	50
FNMA HomeReady	3	968	3	928	6	1,896
Heat Loan	375	5,769	406	7,464	781	13,233
Life Up Homeownership	0	0	3	150	3	150
ONE Mortgage	0	0	23	7,147	23	7,147
Residential and Consumer Loans	471	39,137	569	68,572	1,040	107,709
Express5	42	1,894	60	2,669	102	4,563
SBA 504	12	14,173	2	1,710	14	15,883
SBA 7a	8	1,075	11	1,544	19	2,619
FHLB Jobs New England	2	9,650	5	4,353	7	14,003
Express5 Credit Builder	1	5	1	5	2	10
Commercial Loans	65	26,797	79	10,281	144	37,078
Totals	536	65,934	648	78,853	1,184	144,787
<i>Source: Bank Data</i>						

The following are descriptions of the bank's innovative or flexible lending programs:

- **Federal Housing Administration (FHA)** - The FHA provides mortgage insurance on loans made by FHA-approved lenders throughout the U.S. FHA mortgage insurance provides lenders with protection against loss as the result of homeowners defaulting on their mortgage loans. FHA offers both fixed- and adjustable-rate mortgages that accommodate a low down payment from the borrower.
- **Mass Housing & MassHousing Purchase and Rehab** - As a fully delegated MassHousing lender, the bank offers financing up to 97% of the purchase price, with or without mortgage insurance. The borrower does not have to be a first-time homebuyer. Mortgage insurance, provided by MassHousing, also protects the homeowner by providing mortgage payment protection during times of unemployment. The Purchase and Rehab program allows a homebuyer to borrow up to 97% of the improved value.

- **Equity Builder Grant** - This is a grant program offered through the bank's partnership with FHLB to be used for down payment and closing cost assistance for low-income borrowers. Borrowers must meet income eligibility requirements as outlined by FHLB.
- **Freddie Mac Home Possible** - This is a Conventional Community Lending program that offers underwriting flexibility to qualified borrowers in designated low-income, minority and disaster-impacted communities with lower than standard MI coverage requirements above 90% LTV.
- **Generator Loan** - This loan program designed to cover the cost of the purchase of a home generator.
- **FHA Title I** - This is a fixed rate loan to help eligible borrowers in Massachusetts and Rhode Island finance the improvements and repairs needed to make their homes more livable.
- **Veterans Administration (VA)** - The Veterans Administration loan program enables veterans and active-duty personnel to purchase or refinance a home with favorable loan terms. VA offers fixed and adjustable rate mortgages that can accommodate no down-payment on many purchase transactions.
- **Buy Fall River, New Bedford, Taunton, & Attleboro** - Buy City programs combine BankFive portfolio funds with MassHousing's MIF insurance. The product is a 30-year fixed rate with no points up to 100% of the purchase price of a single-family home. Financing available up to 97% on a 2-unit and 95% on 3-4 units.
- **MassHousing – Septic & Home Improvements** - In conjunction with MassHousing, the bank will originate lead paint septic repair and home improvement loans.
- **RI Housing** - As an approved RI Housing broker, the bank offers financing up to 100% of the purchase price, with mortgage insurance. The borrower does not have to be a first-time homebuyer. The down payment and closing cost assistance provided by RI Housing helps more consumers become home buyers.
- **Affordable Smart Dollar Loan Program** – This is a loan program designed to reach the underserved population by offering a loan program designed for borrowers who are looking to establish credit.
- **Housing Our Workforce** - This is a grant program offered through a partnership with FHLB to be used for down payment for income borrowers between 80 to 120 percent of HUD median income. Borrowers must meet income eligibility requirements as outlined by FHLB.
- **US Dept of Rural Housing (USDA)** - The Guaranteed Rural Housing mortgage loan program offers 30-year fixed-rate mortgage financing guaranteed by the U.S. government

through USDA Rural Development (RD). Applicants must be unable to secure credit from other sources upon terms and conditions which the applicant can reasonably fulfill.

- **FNMA HomeReady** - The HomeReady product is a Conventional Community Lending program. It offers underwriting flexibility to qualified borrowers in designated low-income, minority and disaster-impacted communities. There is lower than standard MI coverage requirements above 90% LTV.
- **Heat Loan Financing** - The HEAT loan program in Massachusetts and Rhode Island provides customers with no-interest loans to assist with the installation of qualified, energy efficient improvements to their homes.
- **Lift Up Homeownership** – New as of 2023, this is a pilot program grant offered through the bank’s partnership with the FHLB to be used for down payment and closing cost assistance for people of color with incomes up to 120% of the area median income. Borrowers must meet income eligibility requirements as outlined by FHLB.
- **Massachusetts Housing Partnership** - ONE Mortgage loans to low- and moderate-income first-time homebuyers by lowering the monthly costs of homeownership. The participating lender underwrites the mortgage loan for up to 97% of the purchase price (95% for 3-family properties). The bank started participating in this program in 2023.
- **Express5** – This loan program helps business owners obtain the loans necessary for expansion, commercial mortgages, overdraft protection and other purposes. This product offers loan amounts up to \$100,000 with minimal documentation requirements, quick decision making, and easy convenient closings.
- **SBA 504** - The 504 loan program provides growing small businesses with long-term financing to acquire, construct, or expand their business location or purchase machinery and equipment. Borrowers can contribute as little as 10% in equity. These loans usually have preferential long-term interest rates up to 50% of the total financing package.
- **SBA 7a** - Businesses with special requirements can get needed financial help through this loan. Proceeds may be used to establish a new business or to assist in acquisition, operation, or expansion of an existing business. 7(a) loans have a maximum loan amount of \$5 million and do not have a set minimum loan amount.
- **FHLB Jobs New England** - Subsidized FHLB Boston advance to allow for a lower rate to the borrower.
- **Express5 Credit Builder Program** - As part of the Bank’s partnership with Entrepreneurship for All (E for All), this new credit builder product was designed for the alumni of the E for All Accelerator Program. Most alumni are women-owned and minority-owned business who have limited resources or access to capital. In addition, many have not developed a robust credit history which impedes their ability to obtain business credit. The

loan is a \$5,000 passbook secured loan that is funded from the sponsorship budget and must be used for the business. The bank began this program in December of 2022.

Community Development Loans

BankFive is a leader in making community development loans. The bank originated 32 community development loans for approximately \$41.7 million during the evaluation period. A comparison of the bank’s current overall community development lending by dollar amount at this time was determined to be less meaningful as the current exam is being conducted using large bank procedures; therefore, small business loans with loan amounts less than one million dollars were not considered here. This had a neutral effect on the rating.

Of the bank’s 32 qualified community development loans, 28 loans for approximately \$31.7 million were originated within the bank’s assessment area. The remaining 4 loans for approximately \$10.0 million were originated outside the bank’s assessment area, but were qualified as part of the bank’s efforts in the greater state-wide or regional area.

The bank participates in the Federal Home Loan Bank (FHLB) Jobs for New England (JNE) Program. Loans under the JNE Program support economic development through job creation or retention or revitalizing a business district. From 2022-2024, the bank originated an additional five loans under approximately \$14.0 million. One loan for \$9.5 million supported revitalization of a former historic mill building in Fall River, MA, while the remaining four loans supported economic development through LMI jobs for small businesses in the assessment area

BankFive is an approved SBA lender offering 504 and 7(a) loan programs. These programs offer alternative financing to qualified small businesses that may not be eligible for traditional bank financing that supports business and job growth. In 2022, the bank made four SBA 504 loans totaling approximately \$9.8 million to businesses that operate in the assessment area as well as a broader regional area.

The following table illustrates the bank’s community development lending by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/14/2022-12/31/2022	12	8,579	0	0	4	9,756	1	9,500	17	27,835
2023	8	2,914	0	0	4	8,928	0	0	12	11,842
YTD 2024	2	920	0	0	1	1,100	0	0	3	2,020
Total	22	12,413	0	0	9	19,784	0	0	32	41,697
<i>Source: Bank Data</i>										

The following are additional examples of BankFive's community development loans.

- In 2023, the bank originated a \$5.5 million dollar loan for the purchase and renovation of a commercial property located in a low-income census tract in Dorchester, MA. With partial occupancy including a restaurant, hair salon and art studio, the loan helps retain LMI jobs supporting economic development.
- In 2022, the bank originated a \$1.1 million loan to a local real estate developer for the purchase of a twenty-unit multi-family property in a moderate-income area. All monthly rent amounts being charged are affordable for low- or moderate-income individuals based on U.S. Department of Housing and Urban Development Fair Market Rents.
- In 2023, the bank increased an existing line of credit by \$150,000 to be used for property repairs and reserves to a nine-unit multi-family residential property located in a Gateway City.

Discriminatory or Illegal Credit Practices

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

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. 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. Examiners conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council (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 2022 and 2023 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment area reflected the assessment area's demographics.

According to the 2020 U.S Census, the bank's assessment area contained a total population of 1,676,579 individuals, of which 28.4 percent are minorities. The minority population represented is 5.5 percent Black/African American, 3.6 percent Asian, 14.1 percent Hispanic or Latino, 0.3 percent American Indian, and 7.3 percent other.

Examiners compared the bank application activity with that of the 2022 and 2023 aggregate performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Refer to the table below

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	2022		2022 Aggregate Data	2023		2023 Aggregate Data
	#	%	%	#	%	%
American Indian/Alaska Native	7	0.8	0.4	3	0.5	0.4
Asian	17	2.0	2.5	19	3.0	2.4
Black/African American	22	2.6	6.6	21	3.3	7.0
Hawaiian/Pacific Islander	2	0.2	0.3	1	0.2	0.4
2 or more Minority	3	0.4	0.2	0	0.0	0.2
Joint Race (White/Minority)	14	1.7	1.4	7	1.1	1.4
Total Racial Minority	65	7.8	11.4	51	8.0	11.8
White	650	77.8	66.9	483	75.6	66.8
Race Not Available	120	14.4	21.7	105	16.4	21.4
Total	835	100.0	100.0	639	100.0	100.0
ETHNICITY						
Hispanic or Latino	44	5.3	9.2	48	7.5	9.6
Joint (Hisp/Lat /Not Hisp/Lat)	8	1.0	1.4	9	1.4	1.5
Total Ethnic Minority	52	6.2	10.6	57	8.9	11.1
Not Hispanic or Latino	649	77.7	69.1	473	74.0	69.2
Ethnicity Not Available	134	16.1	20.3	109	17.1	19.7
Total	835	100.0	100.0	639	100.0	100.0

Source: HMDA Aggregate Data (2022 and 2023), HMDA LAR Data (2022 and 2023)

In 2022, the bank received 835 home mortgage loan applications from within its assessment area. Of these applications, the bank received 65, or 7.8 percent, from racial minority applicants, of which 41, or 63.1 percent, resulted in originations. The aggregate received 11.4 percent of its applications from minority applicants, of which it originated 53.6 percent. For the same period, the bank also received 52 applications, or 6.2 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 38 or 73.1 percent, compared with an aggregate application rate of 10.6 percent with a 52.3 percent origination rate.

In 2023, the bank received 639 home mortgage loan applications from within its assessment area. Of these applications, the bank received 51, or 8.0 percent, from racial minority applicants, of which 29, or 56.9 percent, resulted in originations. The aggregate received 11.8 percent of its applications from minority applicants, of which it originated 49.5 percent. For the same period, the bank also received 57 applications, or 8.9 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 43 or 75.4 percent, compared with an aggregate application rate of 11.1 percent with a 48.3 percent origination rate.

Considering the demographics of the assessment area, market competition and conditions, comparisons to aggregate data in 2022 and 2023, and the bank’s origination rates to racial and ethnic minorities, the bank’s minority application flow is adequate.

INVESTMENT TEST

The Investment Test is rated Outstanding. The sections below discuss the bank’s performance under each criterion.

Investment and Grant Activity

BankFive has an excellent level of qualified community development, investment, and grants, often in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made 265 qualified investments and donations totaling \$40.7 million. This represents 2.4 percent of average total assets and 16.5 percent of average total securities. The bank’s qualified investments and grants increased since the prior evaluation, when investments totaled \$38.5 million. Of the investments, \$39.2 million were equity investments and \$1.5 million were grants and donations. The following table illustrates the bank’s community development qualified investments.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	4	7,416	35	11,330	9	8,682	48	27,428
2022	0	0	0	0	4	2,511	4	1,350	8	3,861
2023	0	0	0	0	3	3,085	0	0	3	3,085
YTD 2024	0	0	0	0	5	4,839	0	0	5	4,839
Subtotal	0	0	4	7,416	47	21,765	13	10,032	64	39,213
Qualified Grants & Donations	7	56	177	1,107	10	251	7	113	201	1,527
Total	7	56	181	8,523	57	22,016	20	10,145	265	40,740

Source: Bank Data

Equity Investments

Qualified equity investments total approximately \$39.2 million, which was 15.9 percent of average total securities. As the bank increased its qualified equity investments meeting the assessment area needs, four additional investments outside the assessment area totaling \$3.9 million were qualified as part of the bank’s efforts in the greater state-wide or regional area. The following are notable examples.

Prior Period Investments

- The bank holds six Small Business Investment Company (SBIC) bonds issued by the Small Business Administration. The SBICs use the proceeds from the sale of the bonds to make capital or equity investments in small businesses supporting economic development. The total current book value of these bonds is approximately \$4.1 million.
- The bank holds ten municipal bonds invested in Massachusetts Gateway Cities both within and outside the bank’s assessment area. Under MA Ch. 23A, investing in Gateway Cities

revitalizes or provides community services to cities with majority low- and moderate-income populations. The bank's investments supported revitalizing seven Gateway Cities. The total current book value of these bonds is approximately \$8.9 million.

- *Small Business Administration (SBA) Loan Pools* – The bank holds an investment in 26 SBA 504 loan pools with a total book value of \$4.9 million and three 7(a) loan pools with a total book value of \$2.3 million. Each of these investments promotes economic development through loan pools supporting small businesses. While each loan pool is comprised of loans nationwide, a portion of the loans is located in the bank's broader regional area.

Current Period Investments

- In 2022 and 2024, the bank purchased an additional seven SBIC bonds worth approximately \$6.1 million issued by the SBA, specifically earmarked for Small Business Investment Companies (SBICs) with proceeds from the sale of the bonds used to make capital or equity investments in small businesses. These investments supported economic development in the bank's assessment area.
- In 2022, the bank invested in three general obligation purpose municipal bonds issued by two Massachusetts-designated Gateway Cities, Fairhaven and New Bedford. Under MA Ch. 23A, a Gateway City population's median income is less than the state average. By funding a variety of utility, infrastructure, and municipal projects, proceeds from these bonds will help revitalize both Gateway Cities for low- and moderate-income populations in the bank's assessment area.
- In 2023, the bank invested in three Small Business Administration (SBA) Loan Pools comprised of SBA 7(a) loans totaling approximately \$3.1 million supporting economic development. The 7(a) loan program provides loan guaranties to lenders allowing them to provide financing to small businesses for acquiring, refinancing, or improving real estate and buildings or short- and long-term capital up to a maximum loan amount of \$5 million. While each loan pool is comprised of loans nationwide, a portion of the loans is located in the bank's broader regional area.

Donations

During the evaluation period, BankFive made approximately \$1.5 million in qualified donations. The total dollar amount was approximately \$200,000 less than the prior evaluation period.

A majority of the bank's CRA qualified grants and donations supported community service organizations that primarily benefit low- and moderate-income individuals and families. The following are notable examples of qualified donations.

The following are examples of qualified grants and donations.

- **Atlantis Charter School** – Atlantis is a public charter school located in Fall River that teaches students from K-12. Atlantis admits students who reside in the Commonwealth, with preference given to students from Fall River. Over several years, Bank5 supported the school’s Capital Campaign that assisted in the construction of a new school building complex. The school’s enrollment from the Mass DOE lists over 57% of the student population as low-income.
- **Pro-Home, Inc.** – Located in a moderate-income census tract in Taunton, Pro-Home, Inc. “exists to produce and protect affordable housing, to improve financial literacy for current homeowners and aspiring homebuyers, to eliminate discrimination in housing, and to advocate for the cause of affordable housing on behalf of those of low-to-moderate income and diverse backgrounds.” Bank5 assisted in their programs helping to educate assessment area residents in financial literacy to enable them to acquire and maintain affordable housing.
- **Food Pantries** – Bank Five has donated to many food pantries throughout the assessment area to assist with basic food insecurity. Many organizations received funding on an annual basis, where multiple donations fell inside of the exam time period. Organizations include Citizens for Citizens, Easy Bay Food Pantry, Family Pantry of Cape Cod, M.O. L.I.F.E., Inc., Mercy Meals and More, Seven Hills Food Pantry, The Greater Fall River Community Food Pantry, The Salvation Army of Fall River, and the United Way of Fall River.

Responsiveness to Credit and Community Development Needs

The bank exhibits excellent responsiveness to credit and community development needs. Investments and donations supported activities that promote economic development and the revitalization and stabilization of low- and moderate-income census tracts. The bank’s partnership with E for All helped to provide advice to small businesses. The community contact identified this activity as one of the primary needs of the assessment area.

Community Development Initiatives

The bank makes significant use of innovative and/or complex investments to support community development initiatives. The bank’s diverse CRA investment portfolio consists of SBIC Bonds, municipal bonds, and SBA loan pools. The bank’s partnership with the South Coast Community Foundation represents an innovative strategy towards meeting the community development needs of the assessment area.

SERVICE TEST

The Service Test is rated Outstanding. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. The following table shows BankFive's branch and ATM distribution by census tract income level in the assessment area, along with the population distribution by census tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	47	12.3	176,744	10.5	4	28.6	4	28.6
Moderate	69	18.1	295,717	17.6	4	28.6	4	28.6
Middle	150	39.4	676,285	40.3	3	21.4	3	21.4
Upper	109	28.6	525,119	31.3	3	21.4	3	21.4
NA	6	1.6	2,714	0.2	0	0.0	0	0.0
Total	381	100.0	1,676,579	100.0	14	100.0	14	100.0

Source: 2020 U.S. Census Data; Bank Data

As shown in the previous table, BankFive maintains a network of 14 branches and ATMs throughout the assessment area. The bank's distribution of branches and ATMs in low- and moderate-income census tracts is above the percentage of low- and moderate-income census tracts and the population in those tracts in the assessment area.

In addition to the bank's branches and ATMs, BankFive offers alternative delivery systems to expand retail and commercial banking services to all individual and business customers. The bank offers personal and business online banking, video banking, mobile banking with mobile deposit, mobile wallet, and telephone banking. The bank also offers ATM card access through the SUM network. The SUM network offers surcharge-free transactions at thousands of ATMs nationwide at participating ATMs.

Changes in Branch Locations

The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. During the examination period, the bank did not open or close any branch locations.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or

individuals. The bank’s locations maintain similar hours and offer the same products. Branches are generally open from 9 AM to 3 PM Monday through Thursday, 9 AM to 5 PM on Friday, and 9 AM to 12 Noon on Saturdays.

The bank also offers specific products and services that meet the needs of low- and moderate-income and underbanked populations in the AA. Based on the FDIC’s 2019 survey of unbanked and underbanked households, minority individuals in the northeast region have much higher populations of individuals underserved by retail banking. The bank employs many individuals who speak at least one language outside of English. Languages spoken include Spanish and Portuguese, which are widely spoken by populations within the bank’s assessment area. BankFive’s language services enhance accessibility to bank products and services for all who live and work in the assessment area, including low- and moderate-income individuals.

The bank also offers free checking accounts that benefit low- and moderate-income and unbanked customers. According to the 2021 FDIC Survey, approximately 29.2 percent of unbanked households cited minimum balance requirements and high fees as the main reasons for not opening a bank account. These free checking accounts have no minimum balance requirement, no monthly maintenance fee, and provide access to online and mobile banking.

Community Development Services

The bank has an excellent level of community development services. During the evaluation period, BankFive employees provided 402 instances of qualified community development services throughout the assessment area. The following table illustrates the bank’s performance by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/14/2022 – 12/31/2022	6	57	58	0	121
2023	14	83	65	0	162
YTD 2024	8	94	16	1	119
Total	28	234	139	1	402
<i>Source: Bank Data</i>					

The following are examples of the bank’s community development services.

- ***Entrepreneurship for All (E for All)***– BankFive has a substantial partnership with E for All, conducting numerous small business seminars for them throughout the evaluation period and having several bank employees serve on the organization’s board. E for All helps underrepresented individuals start and grow a business through training, mentorship, and networking.
- ***Housing Partnership of Southern Massachusetts***– This organization works with communities to create innovative policy and financing solutions that provide affordable homes and better

lives for the people of Massachusetts. Two bank vice presidents served on the organization's board during the evaluation period.

- ***Steppingstone Incorporated***– Steppingstone Incorporated exists to strengthen the quality of life of individuals and families in the community through providing comprehensive client-center programs that enhance well-being and improve quality of life. A bank vice president served on the organization's board during the evaluation period.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, require all financial institution 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 79 North Main Street, Fall River, Massachusetts 02720."

[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.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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).

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 (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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 (e.g., 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 (also known as non-MSA): 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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.