

PUBLIC DISCLOSURE

September 12, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bristol County Savings Bank
Certificate Number: 23622

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Taunton, Massachusetts 02780

Division of Banks
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This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its 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	
High Satisfactory			X
Satisfactory**	X		
Needs to Improve			
Substantial Noncompliance			
<p><i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i></p> <p><i>**FDIC rules and regulations stipulate use of a “high satisfactory” and “low satisfactory” rating for the three tests. This jointly issued public evaluation uses the term “satisfactory” in lieu of “low satisfactory” for the Lending, Investment, and Service Test ratings and for rated areas in Massachusetts as the Division does not have a “low satisfactory” rating. For institutions with rated areas outside of Massachusetts, this jointly issued public evaluation uses the terms “high satisfactory” and “low satisfactory” for the Lending, Investment, and Service Test ratings.</i></p>			

The Lending Test is rated Satisfactory.

- Lending levels reflect good responsiveness to assessment area credit needs.
- The bank originated a high percentage of loans within its assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the bank, adequate penetration among borrowers of different income levels and businesses of different sizes.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in making community development loans.

The Investment Test is rated Outstanding.

- The bank has an excellent level of qualified community development investments and

grants, often in a leadership position, particularly those that are not routinely provided by private investors.

- The bank exhibits excellent responsiveness to credit and community economic development needs.
- The bank occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- The bank's delivery systems are accessible to essentially all portions of the assessment area.
- The bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- The bank's services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, and/or individuals.
- The bank is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

Background

Bristol County Savings Bank (BCSB) is a state-chartered stock savings bank, headquartered in Taunton, Massachusetts, that operates throughout Southeastern Massachusetts and Rhode Island. BCSB is wholly owned by its holding company, Beacon Bancorp. The bank has subsidiaries and affiliates, none of which offers banking products or services. Bristol County Savings Charitable Foundation was established in 1996 to provide grants to charitable organizations in southeastern Massachusetts and Rhode Island.

The prior evaluation, dated June 24, 2019, resulted in a High Satisfactory rating from the Massachusetts Division of Banks and a Satisfactory rating from the Federal Deposit Insurance Corporation (FDIC) using Interagency Large Institution CRA Examination Procedures.

Operations

In addition to its main office, BCSB operates 15 full-service branches, 3 loan production offices, and 2 limited-service branches in Massachusetts and Rhode Island. The bank's branches are located in the Providence-Warwick, RI-MA Metropolitan Statistical Area (MSA) and the Boston-Cambridge-Newton, MA-NH MSA.

On July 31, 2020, BCSB acquired Freedom National Bank headquartered in Greenville, Rhode Island. The acquisition expanded the bank's branch footprint to include branches in Greenville and Cumberland, both of which are in Providence County in Rhode Island. The bank closed two branches in the Providence-Warwick, RI-MA MSA during the evaluation period.

The bank is primarily a real estate lender, and offers a variety of residential, commercial, and consumer lending products. Residential lending products include fixed- and adjustable-rate mortgages, home equity loans and lines of credit, MassHousing loans, United States Department of Agriculture (USDA) loans, and a first-time homebuyer loans. Commercial loan products include commercial real estate loans, commercial and industrial loans, and Small Business Administration (SBA) loans. The bank offered SBA Paycheck Protection Program (PPP) loans to small businesses during the COVID-19 pandemic. The bank also offers secured and unsecured consumer loan products.

BCSB offers standard personal and business deposit products such as certificates of deposit, money market accounts, and various checking and savings account types. Alternative banking services include remote deposit capture; 24-hour online and mobile banking; automated teller machines (ATMs), and interactive teller machines (ITMs).

Ability and Capacity

As of June 30, 2022, BCSB reported total assets of \$3.0 billion, total loans of \$2.2 billion, and total deposits of \$2.6 billion. In addition, the bank reported securities of \$674.4 million. Since the previous evaluation, assets increased by 34.5 percent, due in part to the Freedom National Bank acquisition. The bank’s primary credit product is one-to-four family loans. Residential loans account for the largest portion of the portfolio, followed by commercial loans. The following table illustrates the loan portfolio distribution.

Loan Portfolio Distribution as of 06/30/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	126,043	5.8
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	804,715	36.8
Secured by Multifamily (5 or more) Residential Properties	108,437	5.0
Secured by Nonfarm Nonresidential Properties	644,303	29.5
Total Real Estate Loans	1,683,498	77.1
Commercial and Industrial Loans	149,702	6.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	353,279	16.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	703	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	2,187,182	100.0
<i>Source Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0%.</i>		

Examiners did not identify any financial, legal, or other impediments that would limit BCSB’s ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to designate one or more assessment areas within which it will focus its lending efforts and examiners will evaluate its CRA performance. BCSB designated two assessment areas comprising two rated areas: the Providence-Warwick, RI-MA-MSA assessment area (Multistate MSA rated area) and the Norfolk County assessment area (Massachusetts rated area). Please refer to the assessment area sections for additional information.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that the primary credit needs in the assessment areas are small business and home mortgage loans. Community development needs in the assessment areas primarily include community services to support low- and moderate-income individuals, affordable housing, and economic development. The Providence-Warwick, RI-MA MSA assessment area presents greater community development needs and opportunities than the Norfolk County assessment area due to the number of low- and moderate-income geographies. Please refer to the rated area sections for a description of information obtained from community contacts and specific assessment area needs.

SCOPE OF EVALUATION

General Information

This performance evaluation, conducted jointly by the FDIC and the Commonwealth of Massachusetts Division of Banks (Division), covers the period from the prior evaluation dated June 24, 2019, to the current evaluation dated September 12, 2022. Examiners used the Interagency Large Institution CRA Examination Procedures, which include three tests: the Lending Test, Investment Test, and Service Test. Examiners conducted full-scope reviews for both assessment areas. Examiners placed greater weight on performance in the Providence-Warwick, RI-MA MSA when arriving at overall conclusions since this area accounts for the majority of the bank’s loans, deposits and branches. The following table shows the breakdown of loans, deposits, and branches throughout the assessment areas.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Providence-Warwick, RI-MA MSA	819,529	93.4	2,511,849	98.2	17	94.4
Norfolk County	57,601	6.6	46,086	1.8	1	5.6
Total	877,130	100.0	2,557,935	100.0	18	100.0
<i>Source Bank Data; FDIC Summary of Deposits (06/30/2022)</i>						

Activities Reviewed

Examiners determined the bank's major product lines include home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Examiners did not review small farm loans because the bank did not originate any farm loans during the evaluation period. When arriving at the Lending Test rating and conclusions, examiners placed more weight on home mortgage lending performance due to the bank's business focus and loan portfolio distribution.

Examiners analyzed all home mortgage loan originations reported on the bank's 2019, 2020, and 2021 Home Mortgage Disclosure Act (HMDA) loan application registers. BCSB originated 493 home mortgage loans totaling \$170.0 million in 2019, 1,008 loans totaling \$398.3 million in 2020, and 896 loans totaling \$384.0 million in 2021. Examiners compared the bank's home mortgage lending performance to aggregate and demographic data for all three years. Lending volume fluctuated significantly during the review period, in part due to historically low interest rates in 2020 and 2021; therefore, examiners presented all three years of lending data in the Assessment Area Concentration, Geographic Distribution, and Borrower Profile tables to demonstrate trend analysis.

Examiners analyzed all small business loans reported on the bank's 2019, 2020, and 2021 CRA loan registers. BCSB originated 313 small business loans totaling \$85.2 million in 2019, 1,345 loans totaling \$204.4 million in 2020, and 819 loans totaling \$141.6 million in 2021. The majority of the bank's small business lending activity in 2020 and 2021 was SBP PPP loans. Specifically, the bank's small business lending activity includes 1,160 PPP loans totaling \$209.4 million in 2020, and 581 loans totaling \$85.9 million in 2021. Examiners compared the bank's small business lending for all three years to aggregate small business loan data and demographic data. Examiners presented all three years of lending data in the Assessment Area Concentration, Geographic Distribution and Borrower Profile tables, as the bank's small business lending volume increased following the introduction of the PPP program.

Under the Lending Test, examiners also evaluated the bank's community development lending and innovate and/or flexible lending practices from June 25, 2019 through the current evaluation dated September 12, 2022. Under the Investment and Service Tests, examiners considered qualified investments, retail services, and community development services for the same period.

Examiners also considered prior-period qualified investments that were still outstanding at the start of the evaluation. The Service Test also considered the bank's delivery systems for providing retail banking services, including branches and alternative delivery systems, and the impact of any branch openings and closings during the evaluation period. Examiners also conducted a review of retail banking products and services targeted to low- and moderate-income individuals or small businesses and/or tailored to meet specific needs within the assessment areas.

Examiners obtained demographic and economic information referenced in this evaluation from the 2015 American Community Survey (ACS), D&B, Moody's Analytics, and the United States (U.S.) Bureau of Labor Statistics (BLS). The June 30, 2022 Report of Income and Condition (Call Report) provided the financial data.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated Satisfactory. This rating is consistent with bank performance in both the Providence-Warwick, RI-MA MSA and Massachusetts assessment areas.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. In 2019, BCSB originated or purchased 329 home mortgage loans totaling \$103.8 million in the combined assessment areas. In 2020, activity increased when the bank originated or purchased 650 home mortgage loans totaling \$195.4 million in the combined assessment areas. Lending activity in 2021 was slightly lower than 2020 by number at 600 home mortgage loans, but increased by dollar amount totaling \$219.2 million. The increased volume and dollar amounts reflect the general increase in the price of homes, coupled with low interest rates spurring refinance activity in 2020 and 2021. The bank's 2021 market ranking of 36th out of 483 lenders supports good performance.

In 2019, BCSB originated 257 small business loans for \$67.7 million in the combined assessment areas. The bank originated 1,153 small business loans totaling \$173.6 million in the combined assessment areas in 2020, which reflects a significant increase in volume due to PPP lending. In 2021, the bank originated 685 small business loans totaling \$117.5 million in the combined assessment areas. This activity remained elevated, as the bank continued to originate PPP loans. The bank's 2020 market ranking of 14th out of 187 small business lenders supports good performance.

Good performance in the Providence-Warwick, RI-MA MSA assessment area and adequate performance in the Norfolk County assessment area supports this conclusion. Refer to the individual rated areas for details regarding lending activity and market rankings in each assessment area.

Assessment Area Concentration

The bank made a high percentage of home mortgage and small business loans within the assessment areas. The following table illustrates lending activity inside and outside of the combined assessment areas.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2019	329	66.7	164	33.3	493	103,768	61.0	66,272	39.0	170,040
2020	650	64.5	358	35.5	1,008	195,352	49.0	202,986	51.0	398,338
2021	600	67.0	296	33.0	896	219,189	57.1	164,810	42.9	383,999
Subtotal	1,579	65.9	818	34.1	2,397	518,310	54.4	434,068	45.6	952,377
Small Business										
2019	257	82.1	56	17.9	313	67,699	79.4	17,519	20.6	85,218
2020	1,153	85.7	192	14.3	1,345	173,596	84.9	30,862	15.1	204,458
2021	685	83.6	134	16.4	819	117,525	83.0	24,076	17.0	141,601
Subtotal	2,095	84.6	382	15.4	2,477	358,820	83.2	72,457	16.8	431,277
Total	3,674	75.4	1,200	24.6	4,874	877,130	63.4	506,525	36.6	1,383,654

Source 2019, 2020, 2021 HMDA Reported Data; 2019, 2020, 2021 CRA Reported Data

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. Examiners focused on the percentage by number of home mortgage and small business loans in low- and moderate-income census tracts, comparing bank performance to aggregate lending and demographic data.

The bank demonstrated adequate performance under the Geographic Distribution criterion in the Providence-Warwick, RI-MA MSA. The Norfolk County assessment areas do not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions; therefore, examiners did not evaluate this criterion for the Massachusetts assessment area. Refer to the Providence-Warwick, RI-MA MSA section for additional discussion of the bank's performance under this factor.

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers, and the percentage by number of small business loans to businesses with gross annual revenues (GARs) of \$1.0 million or less. Examiners compared bank performance to aggregate lending and demographic data.

The bank's adequate performance in both assessment areas supports this conclusion. Refer to the assessment area sections of this evaluation for additional discussion of the bank's performance under this factor.

Innovative or Flexible Lending Practices

The bank uses innovative and flexible lending programs to serve assessment area credit needs. During the evaluation period, BCSB originated 2,297 loans totaling \$470.1 million using innovative or flexible loan programs. The following table shows the banks innovative and flexible lending programs offered during the evaluation period.

Innovative or Flexible Lending Programs										
Type of Program	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
BCSB - Exclusive Home Buying Opportunity	--	--	--	--	4	\$1,081	8	\$2,030	12	\$3,111
Buy Cities	5	\$1,178	5	1,022	1	\$125	2	\$564	13	\$2,889
First Time Homebuyer Program	40	\$17,519	75	\$32,593	64	\$23,236	62	\$27,385	241	\$100,733
MassHousing Mortgage	2	\$498	27	\$6,697	6	\$1,427	--	--	35	\$8,622
USDA - Rural Housing	2	\$523	1	\$380	--	--	--	--	3	\$903
Pleasant View Condominiums	--	--	--	--	12	\$1,680	--	--	12	\$1,680
MassHousing DPA	--	--	5	\$65	2	\$28	--	--	7	\$93
DPA from City of New Bedford	2	\$47	2	\$59	--	--	1	\$29	5	\$135
FHLB Equity Builder	1	\$15	4	\$58	2	\$28	--	--	7	\$101
Housing Our Workforce	1	\$20	3	\$60	--	--	1	\$20	5	\$100
Pro Home Inc.	--	--	2	\$34	--	--	--	--	2	\$34
Total Residential	53	\$19,800	124	\$40,968	91	\$27,605	74	\$30,028	342	\$118,401
SBA 504	7	\$3,506	8	\$7,211	15	\$4,926	7	\$6,336	37	\$21,979
SBA 7(a)	5	\$2,225	7	\$2,908	18	\$8,172			30	\$13,305
SBA Express	17	\$925	26	\$1,845	4	\$1,240	13	\$872	60	\$4,882
SBA Small Loan Advantage	--	--	3	\$329	--	--	--	--	3	\$329
SBA PPP Loans	--	--	1,160	\$209,401	581	\$85,875	--	--	1,741	\$295,276
MA Small Business Banking Partnership	8	\$1,843	14	\$1,793	25	\$3,047	33	\$2,794	80	\$9,477
FHLB Jobs New England	1	\$2,948	2	\$1,520	--	--	1	\$2,000	4	\$6,468
Total Commercial	38	\$11,447	1,220	\$225,007	643	\$103,260	54	\$12,002	1,955	\$351,716
Totals	91	\$31,247	1,344	\$265,975	734	\$130,865	128	\$42,030	2,297	\$470,117

Source Bank Data

The following are examples of the bank's innovative and flexible lending programs that are available institution-wide. Other programs are described under the assessment area section in which they are available.

Residential Loan Programs

- **BCSB Exclusive Home Buying Opportunity:** BCSB designed a program to aid prospective homeowners in Bristol and Providence counties that may have difficulty obtaining conventional financing. The bank will finance up to 100.0 percent of the purchase price without any mortgage insurance, and cap some closing cost fees. The bank also provides a basic homebuyer and landlord education session, for which attendees receive an additional closing cost credit.
- **First Time Homebuyer Program:** BCSB offers its own program that aims to aid low- and moderate-income first-time homebuyers. The program includes a reduced interest rate and up to a 90.0 percent loan to value without mortgage insurance. This program is only available to first-time homebuyers and requires homebuyer education counseling.
- **MassHousing Mortgage and Down Payment Assistance (DPA):** BCSB is a MassHousing approved lender. This organization supports the creation and preservation of affordable housing for low- and moderate-income residents. MassHousing Mortgages include a low fixed interest rate. The DPA loan program provides up to \$30,000 (\$50,000 in select Gateway Cities) to help low- and moderate-income borrowers avoid mortgage insurance and further reduce barriers to homeownership.
- **Federal Home Loan Bank Equity Builder Program:** In partnership with the Federal Home Loan Bank (FHLB) of Boston, lenders award program grant funds for down payment and closing costs or rehabilitation assistance to eligible households that are at or below 80.0 percent of the area median family income for the property location. The maximum grant amount is \$15,000 per household.
- **United States Department of Agriculture (USDA) Rural Housing:** Through approved lenders, this program provides low- and moderate-income households with the opportunity to purchase a primary residence in rural areas. Eligible applicants may build, rehabilitate, improve, or relocate a dwelling in an eligible rural area. The program provides a 90.0 percent loan note guarantee to approved lenders to reduce the risk of extending 100.0 percent financing to eligible rural homebuyers.
- **Housing our Workforce (HOW):** This regional grant match program provides down payment assistance for home purchases. Borrowers must qualify for this program based on income, and the aim of the program is to increase the rate of owner-occupied homeownership among the workforce.

Commercial Loan Programs

- **Small Business Administration (SBA) 504 Program:** These loans are provided in collaboration with Certified Development Companies licensed by the SBA. The program benefits borrowers by limiting the down payment to only 10.0 percent and limiting fees to only 2.65 percent. These loans aid small businesses as well as the local economy by

supporting or creating jobs in the area.

- **Small Business Administration (SBA) 7(A) Program:** The SBA 7(a) Loan Program provides term loans for small businesses and real estate up to \$5.0 million, with an SBA guaranty of 85.0 percent for loans \$150,000 or less and 75.0 percent for loans greater than \$150,000. Small businesses that meet the SBA's size eligibility standards benefit from smaller down payments; flexible terms that assist in opening, expanding and continuing businesses; long-term financing options; a fixed maturity; and no prepayment penalties.
- **Small Business Administration (SBA) Express Program:** The SBA Express Loan Program offers borrowers an accelerated turnaround time of up to 36 hours for approval on loan amounts up to \$350,000. The SBA provides a maximum guaranty of 50.0 percent, and no collateral is required for loans of \$25,000 or less.
- **Small Business Administration (SBA) Payroll Protection Program (PPP):** PPP loans are SBA insured loans designed to support the basic operating needs of small businesses, including rent, utilities, and payroll, during the COVID-19 pandemic. The SBA will forgive PPP loans if recipients meet all employee retention criteria and use the funds according to SBA guidelines. PPP loans offer below market interest rates, six-month payment deferrals, no origination fees, and no collateral requirements.
- **Small Business Administration (SBA) Small Loan Advantage (SLA):** The SLA program supports small businesses in underserved markets by providing guaranteed credit for lower dollar loans. Loans of up to \$150,000 are guaranteed up to 85.0 percent.
- **MA Small Business Banking Partnership:** BCSB is one of 36 participating institutions in this program offered by the Massachusetts State Treasury. Treasury Funds are deposited with local banks and are then redistributed as loans to small businesses. These loans increase access to credit to small businesses and underserved businesses in gateway communities.
- **Federal Home Loan Bank of Boston Jobs New England:** This program supports economic development of small businesses by advancing job creation through meeting working capital or expansion needs. The program allows participating institutions to provide low (below market) rate small business loans.

Community Development Lending

BCSB is a leader in making community development loans in the assessment areas. During the evaluation period, the bank originated 80 community development loans totaling \$69.7 million that met community needs of affordable housing, community services, economic development, and revitalization and stabilization. This level of activity represents 2.6 percent of total assets and 3.5 percent of net loan. These ratios exceed performance during the prior evaluation period. The bank originated more community development loans during the current evaluation period than the prior evaluation period, when the bank originated 58 loans totaling \$47.8 million. The banks

performance compared favorably to other large community banks and was responsive to the primary needs of community services and affordable housing.

Performance was inconsistent throughout the assessment areas, as the bank did not originate any community development loans in the Norfolk County assessment area. Examiners placed less weight on this factor in determining the Lending Test rating given the absence of low- or moderate-income census tracts and the bank’s limited presence in the area.

Overall, BCBS was responsive to assessment area credit needs; therefore, examiners considered community development loans originated outside of the assessment areas that benefitted the broader statewide or regional area. Of the total loans shown in the following table, 11 loans totaling approximately \$12.9 million benefitted the broader regional area. Refer to the individual assessment area sections of this evaluation for notable examples of community development loans that benefitted those areas.

The following table illustrates the bank’s community development lending activity.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize and Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Partial 2019	4	4,559	1	1,500	0	0	0	0	5	6,059
2020	5	4,561	22	8,646	3	4,783	9	18,681	39	36,671
2021	5	6,056	18	3,765	2	2,677	5	12,930	30	25,428
YTD 2022	4	924	1	484	1	100	0	0	6	1,508
Total	18	16,100	42	14,395	6	7,560	14	31,611	80	69,666

Source Bank Data

The following table shows the bank’s community development lending activity by rated area and purpose.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize and Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Providence-Warwick, RI-MA	10	3,831	39	13,729	6	7,560	14	31,611	69	56,731
Massachusetts (Norfolk County)	0	0	0	0	0	0	0	0	0	0
Regional Activities	8	12,269	3	666	0	0	0	0	11	12,935
Total	18	16,100	42	14,395	6	7,560	14	31,611	80	69,666

Source Bank Data

The following are examples of community development loans that benefitted the broader regional area.

- The bank participated in a two-phase multifamily housing project during the evaluation period. In phase one of the project, BCSB participated 40.0 percent of a \$23.8 million loan to develop a 94-unit building in 2020, with 18 units designated as affordable. Phase two of the project included a refinance of phase one as well as the development of a 59-unit development, with 11 units designated as affordable, totaling \$42.3 million in 2021. BCSB maintained a 40.0 percent participation in the loan. The affordable percentage of the overall project is approximately 19.0 percent. As a result, the bank's community development credit for this project totals \$5.0 million. This project supports affordable housing for low- and moderate-income individuals.
- The bank originated two PPP loans to a non-profit childcare center in Brockton, Massachusetts totaling \$652,000. The childcare center provides services in a low- and moderate-income area. The funds helped the organization continue to operate during the COVID-19 pandemic. These loans supported the availability of community services for low- and moderate-income individuals.
- The bank participated in a \$55.0 million loan to develop a 300-unit housing project in Bridgewater, Massachusetts in 2019. Of the 300 units, 75 are designated as affordable. The bank's participation totals \$15.0 million, which results in a community development qualified total of \$3.8 million. This project supports affordable housing for low- and moderate-income individuals.
- The bank led in the participation of a two-phase multifamily construction housing project during the evaluation period. Phase one of the project was a \$42.0 million loan for the construction of a 184-unit building in 2020, with 10 units designated as affordable. Phase two of the project totaled \$21.2 million in 2021 and included a refinance of phase one as well as a 104-unit development with 5 units designated as affordable. BCSB was the leading institution, with \$15.0 million participation in phase one and a \$7.6 million participation in phase two, and the affordable percentage of the project is approximately 5.2 percent. As a result, the bank's community development credit for this project totals \$1.2 million. This project supports affordable housing for low- and moderate-income individuals.

INVESTMENT TEST

The Investment Test is rated Outstanding. This conclusion is consistent with the performance in the Providence-Warwick, RI-MA MSA, which was rated Outstanding, but not the Massachusetts assessment area, which was rated Satisfactory. As noted previously, examiners placed greater weight on performance in the Providence-Warwick, RI-MA MSA when arriving at overall ratings.

The bank largely funds donations through the Bristol County Savings Charitable Foundation, Inc. (the Foundation). The bank established the Foundation in 1996 to provide donations to local charitable organizations throughout Southeastern Massachusetts and Northern Rhode Island. Specifically, the Foundation focuses on organizations in the greater Attleboro, Taunton, New Bedford, and Fall River areas in Massachusetts, and in northern Rhode Island. In order to address the specific needs of different geographies, the Foundation comprises four separate areas. The

BCSB Fund serves entire assessment area. The Northern RI Advisory Board serves the greater Northern RI area. The Taunton/Attleboro Board serves the greater Taunton and Attleboro areas, and the South Coast Advisory Board serves the greater Fall River and New Bedford areas.

The following sections summarize the bank’s performance under each criterion.

Investment and Grant Activity

BCSB made an excellent level of qualified community development investments and donations, often in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made 545 qualified investments totaling \$44.1 million. This total includes 29 equity investments totaling \$39.2 million, of which 18 investments totaling \$25.3 million are new since the prior evaluation, and 11 investments totaling \$13.9 million are outstanding from the prior period. The total also includes 516 donations totaling \$4.9 million. Total qualified investments represent 1.5 percent of total assets and 9.8 percent of total securities. BCSB’s total qualified investments by number fell slightly below that of one similarly situated institution, but significantly exceeded those of other similarly situated institutions. Furthermore, BCSB’s total qualified investments by dollar amount significantly exceeded those of similarly situated institutions.

The bank significantly increased its total qualified investments by number and dollar amount since the prior evaluation, when the bank made 368 qualified investments totaling \$20.3 million. Specifically, equity investments more than doubled since the prior evaluation period, when the bank had 11 equity investments totaling \$17.7 million. Additionally, donations significantly increased from the prior evaluation, when the bank made 357 donations totaling \$2.6 million.

The following table illustrates qualified investments and donations year and community development purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	6	2,635	3	4,180	1	7,054	1	46	11	13,914
2019	1	2,161	6	1,300	0	0	0	0	7	3,461
2020	4	4,500	1	500	1	250	0	0	6	5,250
2021	2	2,112	1	10,500	1	3,267	0	0	4	15,879
YTD 2022	1	700	0	0	0	0	0	0	1	700
Subtotal	14	12,108	11	16,480	3	10,571	1	46	29	39,203
Qualified Grants & Donations	16	154	458	3,858	17	465	25	425	516	4,902
Total	30	12,261	469	20,338	20	11,036	26	470	545	44,105

Source Bank Data

The following table reflects qualified investments and donations in each rated area and the broader regional area by community development purpose.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Providence-Warwick, RI MA MSA	24	5,764	456	9,713	20	11,036	26	470	526	26,983
Massachusetts (Norfolk County)	0	0	1	5	0	0	0	0	1	5
Regional Activities	6	6,497	12	10,620	0	0	0	0	18	17,117
Total	30	12,261	469	20,338	20	11,036	26	470	545	44,105
<i>Source Bank Data</i>										

Below are notable examples of investments and donations that benefitted both assessment areas or the broader statewide or regional area:

Prior Period Investments

- **Massachusetts State Housing Finance Agency:** In 2019, the bank purchased two tax-exempt bonds, one totaling \$265,000 and one totaling \$560,000. The current book values of these bonds are \$217,928 and \$518,543 respectively.

Current Period Investments

- **Massachusetts State Housing Finance Agency:** In 2020, the bank purchased two \$500,000 tax exempt bonds and one \$1.5 million tax-exempt bond. The bond proceeds helped finance affordable housing projects, including Section 8 housing, for low- and moderate-income individuals and families throughout Massachusetts.
- **Hockomock Area YMCA:** In 2021, the bank purchased a tax-exempt bond totaling \$10.5 million. The bond proceeds replaced the organization’s outstanding debt with another financial institution. The YMCA is a nonprofit organization focused on strengthening the community by fostering youth development, healthy living, and social responsibility. The Hockomock Area YMCA primarily services low- and moderate-income individuals. For example, through the Food Access Program Hockomock YMCA has distributed over 420,000 Grab and Go Meals and provided over 58,000 bags of groceries to those in need. The bank’s investment supports community services to low- and moderate-income individuals in the broader regional area, including both assessment areas. The bank also made donations to the Hockomock Area YMCA in 2019, 2020, and 2021 totaling \$103,106.
- **The Federal Home Loan Mortgage Corporation (Freddie Mac) Mortgage-Backed Securities (MBS):** In 2019, the bank purchased a Freddie Mac MBS totaling \$2.2 million. The MBS is secured by eight mortgage loans to low- and moderate-income individuals. Two of the loans are located in the Massachusetts assessment area, and six of the loans are located in the Providence-Warwick, RI-MA MSA assessment area. The bank’s investment supports affordable housing for low- and moderate-income individuals in both assessment areas.

Donations

- **School on Wheels of Massachusetts:** In 2020, 2021, and 2022 the bank made four donations totaling \$14,900 to the School on Wheels of Massachusetts. The organization provides one-on-one tutoring, mentorship, and essential tools (such as backpacks, books, and school supplies) to help homeless students succeed in school. The bank's donations provide community services to low- and moderate-income individuals across Massachusetts, including both assessment areas.

Please refer to the individual assessment area sections for examples of qualified investments that benefitted those areas.

Responsiveness to Credit and Community Development Needs

BCSB exhibits excellent responsiveness to credit and community development needs. The bank's strong performance in the Providence-Warwick, RI-MA MSA assessment area primarily supports this conclusion, with additional support from the regional activities. The bank's performance in the Massachusetts assessment area was adequate, but below the performance in the Providence-Warwick, RI-MA MSA assessment area. The majority of qualified investments targeted community services to low- and moderate-income individuals, which was identified as a primary community development need in both assessment areas. The bank's qualified investments also supported affordable housing for low- and moderate-income individuals and families, another identified community development need in both assessment areas.

Community Development Initiatives

BCSB occasionally uses innovative and complex investments to support community development initiatives. The bank's performance in the Providence-Warwick, RI-MA MSA assessment area primarily supports this conclusion. The bank's performance in the Massachusetts assessment area was below the performance in the Providence-Warwick, RI-MA MSA assessment area. BCSB's qualified investments includes Federal Historic Tax Credits (FHTCs), which supported the revitalization of a low-income area and affordable housing for low- and moderate-income individuals. FHTCs require a higher-level of bank resources and expertise than other less complex investments. Most of the bank's investment portfolio includes tax-exempt bonds or mortgage-backed securities, which are not particularly innovative or complex.

The bank also maintains a self-created Equity Investment Program. In 2016, the Board approved \$1.0 million in financing for four separate equity investments of \$250,000 in each of the four market areas. The bank donates any dividends generated from these projects back to the partner organization. Since its inception, the bank has funded three investments totaling \$750,000 through the Equity Investment Program, one of which is new since the prior evaluation. The program's structure is an innovative way to maximize the investments to non-profit organizations, and the collaboration required among bank personnel, the Board, and organizations reflects complexity.

SERVICE TEST

The Service Test rating is High Satisfactory. This conclusion is consistent with the performance in the Providence-Warwick, RI-MSA assessment area; however, the performance in the Massachusetts assessment area was Satisfactory. The sections below discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the bank's assessment areas.

The bank maintains 16 full-service branches, 2 limited-service branches, 19 ATMs, and 3 Interactive Teller Machines (ITMs) within the combined assessment areas. ITMs offer extended teller service hours beyond those available in-person, and allow customers to have face-to-face conversations with tellers via camera and conduct more transactions than offered through a traditional ATM without entering a branch location. The bank also offers other alternative delivery systems including online banking, mobile banking, and a Call Center. While these services are not targeted to low- and moderate-income persons or geographies, they benefit and increase accessibility for all customers in the assessment area.

The assessment areas include 43 census tracts with non-English speaking populations above 10.0 percent, and all but four are low- and moderate-income census tracts. The bank employs approximately 60 employees who speak at least one language outside of English. Languages spoken include French, Italian, Greek, Japanese, Portuguese, Cambodian, Spanish, and Haitian Creole, and American Sign Language. 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. BCSB's language services enhance accessibility to bank products and services and promotes economic inclusion among the non-English speaking population and other consumers who may otherwise have limited financial resources, many of which are low- or moderate-income individuals and families. These language services help make banking more accessible to all who live and work in the assessment area, including low- and moderate-income individuals.

Finally, BCSB supported its community through the COVID-19 pandemic by providing check-cashing services at no cost to non-customers. The bank cashed stimulus checks and child credit payments totaling \$150,626 to 115 non-customers.

Changes in Branch Locations

The bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank acquired two branches in middle-income census tracts, closed one branch in a moderate-income census tract, and closed one branch in an upper-income census tract. The bank also opened an ITM located at a branch in a low-income census tract. Please refer to the individual assessment areas for more information on branch changes during the review period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconvenience certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals. All full-service branches offer the bank’s complete line of products and services, and drive-up services. Please refer to the individual assessment area sections for information regarding variations in hours and availability of ITM’s.

Community Development Services

BCSB is a leader in providing community development services. During the evaluation period, the bank provided 1,973 hours of community development services. This is an increase from the last evaluation, when the bank provided 1,807 hours of community development services. The bank continued to provide a high level of services despite limitations of in-person activities during the COVID-19 pandemic. This performance compares favorably to other similarly situated financial institutions. The following table reflects the total hours of community development services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	19	300	26	24	369
2020	39	445	98	145	727
2021	30	583	17	131	761
YTD 2022	9	84	13	10	116
Total	97	1,412	154	310	1,973
<i>Source Bank Data</i>					

The following table reflects the total hours of community development services by rated area and purpose.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Providence-Warwick, RI MA MSA	97	1,328	154	310	1,889
Massachusetts (Norfolk County)	0	0	0	0	0
Regional Activities	0	84	0	0	84
Total	97	1,412	154	310	1,973
<i>Source Bank Data</i>					

During the evaluation period, BCSB also applied for and was awarded a \$100,000 grant through the FHLB’s New England Recovery Grant Program. The bank selected nine non-profit organizations

that experienced significant challenges due to the COVID-19 pandemic to receive funds. The organizations selected by the bank received between \$5,000 and \$20,000 each. For example, the Downtown Taunton Foundation, which engages in projects that promote the arts, strengthen small business, eliminate blight, create affordable housing, and improve the overall quality of life in downtown Taunton was awarded a \$20,000 grant. The bank's initiative to apply for the grant and provide assistance to non-profits in the assessment areas was responsive to area needs during the COVID-19 pandemic.

Please refer to the individual assessment area and assessment area sections for more information and examples of community development services provided during the review period.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet the community credit needs.

PROVIDENCE-WARWICK, RI-MA MSA

CRA RATING FOR PROVIDENCE-WARWICK, RI-MA MSA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PROVIDENCE-WARWICK, RI-MA MSA

BCSB operates 17 of its 18 branches in the assessment area. The Providence-Warwick, RI-MA MSA assessment area includes all of Bristol County in Massachusetts and all of Providence County in Rhode Island and includes the majority of the bank's lending, deposits, and branches. Since the previous evaluation, the bank expanded the assessment area to include all of Providence County (instead of just Pawtucket), increasing the number of census tracts from 147 to 267.

Economic and Demographic Data

The assessment area comprises 267 census tracts with the following income designations according to the 2015 ACS:

- 52 low-income census tracts,
- 63 moderate-income census tracts,
- 87 middle-income census tracts,

- 63 upper-income census tracts, and
- 2 census tracts with no income designation.

Of the 115 low- and moderate-income census tracts in the assessment area, 24.4 percent or 28 census tracts are located in Providence, Rhode Island and 21.7 percent or 25 census tracts are located in New Bedford, Massachusetts. Both municipalities are primarily low- and moderate-income areas and combined represent 46.1 percent of the assessment areas low- and moderate-income census tracts. As mentioned, BCSB acquired Freedom National Bank during the COVID-19 pandemic. State government restrictions during the pandemic hindered the bank’s community and lending outreach efforts for the new market; consequently, activities in Providence County were limited. There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas within the assessment area. However, 12 census tracts are Federally-designated Opportunity Zones in Fair Haven -1, Fall River -3, New Bedford -4, North Attleboro -2, Somerset -1, and Taunton -1.

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

Demographic Information of the Assessment Area						
Assessment Area: Providence-Warwick, RI-MA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	267	19.5	23.6	32.6	23.6	0.7
Population by Geography	1,183,222	15.9	20.5	34.2	29.0	0.4
Housing Units by Geography	494,876	17.0	21.7	35.1	25.8	0.5
Owner-Occupied Units by Geography	258,823	6.2	14.6	41.9	37.1	0.2
Occupied Rental Units by Geography	191,490	29.1	30.4	27.5	12.2	0.8
Vacant Units by Geography	44,563	26.9	25.4	28.5	18.5	0.6
Businesses by Geography	96,706	14.6	19.7	33.5	31.6	0.6
Farms by Geography	2,352	7.4	12.5	32.1	47.9	0.1
Family Distribution by Income Level	286,938	26.8	17.0	18.9	37.3	0.0
Household Distribution by Income Level	450,313	28.9	15.2	15.8	40.1	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$80,751	Median Housing Value			\$237,325
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Median Gross Rent			\$861
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Families Below Poverty Level			11.6%
Median Family Income Non-MSAs - MA		\$89,768				

Source 2015 ACS, 2021 D&B Data, and FFIEC Estimated Median Family Income;

There are 494,876 housing units in the area. Of these units, 52.3 percent are owner occupied, 38.7 percent are occupied rental units, and 9.0 percent are vacant. The median housing value of \$237,325 reflects a moderately priced area.

The following table reflects the low-, moderate-, middle-, and upper-income categories for the assessment area.

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)				
2019 (\$85,100)	<\$42,550	\$42,550 to <\$68,080	\$68,080 to <\$102,120	≥\$102,120
2020 (\$89,000)	<\$44,500	\$44,500 to <\$71,200	\$71,200 to <\$106,800	≥\$106,800
2021 (\$87,500)	<\$43,750	\$43,750 to <\$70,000	\$70,000 to <\$105,000	≥\$105,000
<i>Source FFIEC</i>				

According to 2021 D&B data, there were 96,706 non-farm businesses in the assessment area. GARs for these businesses are as follows:

- 86.8 percent of businesses have GARs less than or equal to \$1.0 million,
- 4.9 percent of businesses have GARs greater than \$1.0 million, and
- 8.3 percent of businesses have unknown revenues.

Service industries represent the largest portion of businesses at 37.3 percent; followed by non-classifiable establishments (16.6 percent); retail trade (13.1 percent); and finance, insurance, and real estate (10.7 percent). In addition, 64.7 percent of area businesses have four or fewer employees, and 91.0 percent operate from a single location.

Competition

BCSB operates in a highly competitive market for banking services. According to 2021 Deposit Market Share data, there were 57 financial institutions operating 360 branches in the assessment area. BCSB ranked 5th with a deposit market share of 4.7 percent. The institutions ahead of BCSB were large national institutions (Citizens Bank NA, Bank of America, and Santander Bank NA) with a combined deposit market share of 54.7 percent.

The bank operates in a highly competitive area for home mortgage loans. The number of lenders and total originations and purchases increased throughout the evaluation period. According to peer mortgage data, 462 lenders originated 43,579 home mortgage loans in 2019. BCSB ranked 42nd with 0.7 percent market share. The top lenders were Citibank N.A.; Residential Mortgage Services, Inc.; and Navigant Credit Union, accounting for 16.2 percent market share. In 2020, 481 lenders originated 61,360 home mortgage loans. BCSB ranked 33rd with 1.0 percent market share. The top lenders were Citizens Bank, N.A.; Quicken Loans, LLC; and Residential Mortgage Services, Inc., accounting for 14.8 percent market share. In 2021, 483 lenders reported 66,711 originated or purchased home mortgage loans. BCSB ranked 39th with a 0.8 percent market share. The three most prominent mortgage lenders (Citibank N.A., Rocket Mortgage, and Navigant Credit Union) account for 16.2 percent of the total market share.

The bank also operates in a highly competitive area for small business loans. According to 2019 market share data, 113 lenders reported 27,686 small business loans in 2019. BCSB ranked 17th with 0.9 percent market share. The leading financial institutions (American Express Bank, JP Morgan Chase Bank, Bank of America) were large credit card companies. In 2020, 144 lenders reported 32,148 small business loans in the assessment area. BCSB ranked 7th with a 3.3 percent market share. The leading small business lenders (Citizens Bank NA, American Express National Bank, and Bank of America) account for 36.3 percent of the total market share.

Community Contact

Examiners contacted a non-profit organization active in Southeastern Massachusetts and Rhode Island, covering both assessment areas. The organization provides technical assistance and financing for startups and small businesses. According to the contact, there are a number of new businesses in the area after the pandemic, but thriving businesses are difficult to identify in any specific industry. Awareness of resources is a major challenge for small businesses that may qualify for assistance or financing but may not know how or where to apply. The contact mentioned that local banks are willing to partner with organizations in referring potential clients and participating in projects. The contact noted that Fall River and New Bedford represent areas of particular need, as financial literacy challenges are often compounded by residents not speaking fluent English. Additional outreach, mentorship, and ongoing education is needed in the cities with large immigrant populations. The contact also stated that offering translation services for non-English speaking applicants is important to address the banking needs of this population.

Credit and Community Development Needs and Opportunities

Based on demographic and economic information, discussions with bank management, and the community contact, the Providence–Warwick, RI-MA MSA assessment area exhibits credit needs for small business and home mortgage loans and community development needs for affordable housing, community services for low- and moderate-income individuals, and economic development. Fall River and New Bedford, Massachusetts and Providence, Rhode Island represent the communities with the most significant needs and opportunities due to the high concentration low- and moderate-income individuals and non-English speaking population. Financial literacy also represents a significant need in these areas in order help reduce poverty. The non-English speaking population in these areas would benefit from community development services in their native language. Opportunities in this area include outreach to underbanked individuals, financial literacy courses, and small business education and lending programs.

SCOPE OF EVALUATION

Examiners used full-scope examination procedures to review the bank’s performance within the Providence-Warwick, RI-MA MSA. The scope of evaluation for this assessment area is the same as the scope described in the overall Scope of Evaluation section. Please refer to that section for details on the review period, products reviewed, and weighting of products. In determining the overall rating, examiners placed greater weight on the bank’s performance in this assessment area because the bank maintains nearly all retail services in this area, and the vast majority of bank lending, investment and service activity occurs in the Providence-Warwick RI-MA MSA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PROVIDENCE-WARWICK, RI-MA MSA

LENDING TEST

The Lending Test is rated “Satisfactory”. The following sections discuss the bank’s performance under each criterion.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. In 2019, BCSB originated or purchased 316 home mortgage loans totaling \$98.3 million in the assessment area. They ranked 42nd out of 462 lenders. In 2020, the bank originated or purchased 630 home mortgage loans totaling \$188.0 million, and ranked 33rd out of 481 lenders. Lending activity in 2021 decreased to 583 home mortgage loans, but dollar volume increased to \$192.3 million. The bank ranked 39th out of 544 lenders. The majority of lenders that ranked ahead of BCSB were larger mortgage companies and national banks. BayCoast Bank and Fall River Five Cents Savings Bank were community banks that ranked ahead of BCSB each year. In 2021, BayCoast Bank ranked 10th and Fall River ranked 24th.

In 2019, BCSB originated 239 small business loans for \$63.2 million in the assessment area. The bank originated 1,104 small business loans totaling \$165,975 million in 2020. The significant increase in lending was due to the origination of PPP loans. In 2021, the bank originated 655 loans totaling \$111.8 million. The bank’s market rankings of 17th out of 113 lenders in 2019 and 7th out of 144 lenders in 2020 support good performance. In both years, primarily larger institutions and national banks ranked higher than BCSB.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. In 2019, the bank’s activity in low-income geographies was below aggregate performance and the percentage of owner occupied housing. In the same year, the bank’s performance in moderate-income geographies was also below aggregate performance and demographics.

The bank’s activity in 2020 was comparable by number, but performance fell further below aggregate lending levels and demographics by percentage given the increase in overall lending volume. In 2021, however, the bank’s performance improved. The bank’s number of loans in low-income census tracts more than doubled, and the percentage of lending in low-income census tracts drew closer to aggregate performance and the percentage of owner-occupied housing units. The bank’s performance in moderate-income geographies improved by number and percentage as well and was comparable to the bank’s performance in 2019.

As stated previously, the number of low- and moderate-income census tracts increased due to the expansion of the assessment area after the Freedom National Bank acquisition in 2020. The Freedom National Bank's lending portfolio did not include residential loans, and the timing of the COVID-19 pandemic restricted the bank's efforts to break into the market. These factors help explain the difference between aggregate performance and the bank's performance. As of the date of this evaluation, bank management has started to develop strategies to increase lending and the bank's presence in and around the city of Providence. Please see the following table for details.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Providence-Warwick, RI-MA MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	6.2	7.8	15	4.7	11,025	11.2
2020	6.2	6.0	12	1.9	3,176	1.7
2021	6.2	7.3	26	4.5	23,369	12.2
Moderate						
2019	14.6	15.0	42	13.3	8,034	8.2
2020	14.6	13.2	56	8.9	10,982	5.8
2021	14.6	15.3	72	12.4	14,319	7.4
Middle						
2019	41.9	39.8	84	26.6	22,729	23.1
2020	41.9	39.7	180	28.6	45,242	24.1
2021	41.9	39.7	162	27.8	39,871	20.7
Upper						
2019	37.1	37.2	175	55.4	56,470	57.5
2020	37.1	40.9	381	60.5	128,102	68.2
2021	37.1	37.5	322	55.2	114,443	59.5
Not Available						
2019	0.2	0.3	0	0.0	0	0.0
2020	0.2	0.2	1	0.2	448	0.2
2021	0.2	0.2	1	0.2	340	0.2
Total						
2019	100.0	100.0	316	100.0	98,257	100.0
2020	100.0	100.0	630	100.0	187,950	100.0
2021	100.0	100.0	583	100.0	192,342	100.0
<i>Source 2015 ACS; Bank Data, 2019, 2020 & 2021 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. In 2019, the bank’s performance was slightly above aggregate performance and the percentage of small businesses in low-income census tracts. Despite good performance in 2019, the bank’s performance declined in 2020 and again in 2021, falling below aggregate and demographics. The bank’s performance in moderate-income geographies was slightly below aggregate performance in 2019 and 2020. Performance in 2021 was similar. The relatively small degree to which the bank fell below aggregate or demographic performance supports adequate performance. Please see the following table for details.

Geographic Distribution of Small Business Loans						
Assessment Area: Providence-Warwick, RI-MA MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	14.0	13.9	34	14.2	7,881	12.5
2020	14.1	14.0	126	11.4	16,100	9.7
2021	14.6	--	71	10.8	12,173	10.9
Moderate						
2019	19.3	19.0	42	17.6	12,269	19.4
2020	19.5	19.6	189	17.1	28,410	17.1
2021	19.7	--	113	17.3	22,703	20.3
Middle						
2019	33.9	32.8	44	18.4	12,183	19.3
2020	33.8	33.6	286	25.9	50,032	30.1
2021	33.5	--	166	25.3	28,244	25.3
Upper						
2019	32.1	33.9	119	49.8	30,898	48.9
2020	31.9	32.3	501	45.4	71,331	43.0
2021	31.6	--	305	46.6	48,653	43.5
Not Available						
2019	0.6	0.4	0	0.0	0	0.0
2020	0.6	0.4	2	0.2	102	0.1
2021	0.6	--	0	0.0	0	0.0
Total						
2019	100.0	100.0	239	100.0	63,231	100.0
2020	100.0	100.0	1,104	100.0	165,975	100.0
2021	100.0	--	655	100.0	111,773	100.0

Source 2019, 2020 & 2021 D&B Data; Bank Data, 2019 & 2020 CRA Aggregate Data, "--" data not available.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the bank, adequate penetration among individuals of different income levels and businesses of different sizes.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels. The bank's percentage of loans originated to low-income borrowers was below aggregate and demographic data for all three years; however, the bank's performance improved from 2019 to 2020, while aggregate performance declined. The bank's performance in 2021 was similar to 2020 performance. The difference between bank and aggregate performance and the percentage of low-income families may be explained, in part, by the percentage of families in the area below the poverty level (11.6 percent). Low-income individuals, especially those below the poverty level, may face challenges in qualifying for a traditional home mortgage loan given the median home value in the assessment area.

Among moderate-income borrowers, the bank's performance was below aggregate and demographics in 2019 and 2020; however, the bank's performance was consistent while aggregate performance declined. While aggregate performance declined further in 2021, the bank's performance among moderate-income borrowers improved and was closer to aggregate and demographics. Management attributes this improving trend in part to hiring bi-lingual mortgage loan originators that focus on low- and moderate-income areas with significant non-English speaking populations in the assessment area. This performance also reflects the bank's growing presence in the city of Providence, which comprises a large portion of the assessment area's low- and moderate-income populations. Please see the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Providence-Warwick, RI-MA MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	26.8	6.1	11	3.5	1,452	1.5
2020	26.8	5.1	25	4.0	3,100	1.6
2021	26.8	4.9	23	3.9	3,061	1.6
Moderate						
2019	17.0	21.7	43	13.6	7,384	7.5
2020	17.0	20.3	86	13.7	16,934	9.0
2021	17.0	19.7	96	16.5	17,685	9.2
Middle						
2019	18.9	24.7	69	21.8	14,294	14.5
2020	18.9	24.4	147	23.3	34,815	18.5
2021	18.9	25.9	143	24.5	34,765	18.1
Upper						
2019	37.3	31.7	174	55.1	58,218	59.3
2020	37.3	34.8	337	53.5	123,081	65.5
2021	37.3	33.0	284	48.7	103,458	53.8
Not Available						
2019	0.0	15.8	19	6.0	16,909	17.2
2020	0.0	15.5	35	5.6	10,020	5.3
2021	0.0	16.5	37	6.3	33,374	17.4
Total						
2019	100.0	100.0	316	100.0	98,257	100.0
2020	100.0	100.0	630	100.0	187,950	100.0
2021	100.0	100.0	583	100.0	192,342	100.0
<i>Source 2015 ACS; Bank Data, 2019, 2020 & 2021 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The distribution of small business loans reflects adequate penetration among businesses of different sizes. In 2019, lending to businesses with GARs of \$1.0 million or less was comparable to aggregate performance but below demographic data. In 2020, lending to businesses with GARs of \$1.0 million or less was below aggregate and business demographics; however, a significant volume of PPP lending skews lending percentages due to the high percentage of loans without revenue information. The bank's 2021 performance in lending to businesses with GARs of \$1.0 million or also reflects PPP lending without available revenue information. Please see the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Providence-Warwick, RI-MA MSA						
Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	84.8	38.0	85	35.6	13,969	22.1
2020	85.6	33.6	157	14.2	18,653	11.2
2021	86.8	--	74	11.3	14,262	12.8
>\$1,000,000						
2019	5.8	--	154	64.4	49,262	77.9
2020	5.5	--	324	29.3	92,934	56.0
2021	4.9	--	142	21.7	46,970	42.0
Revenue Not Available						
2019	9.4	--	0	0.0	0	0.0
2020	8.9	--	623	56.4	54,388	32.8
2021	8.3	--	439	67.0	50,541	45.2
Total						
2019	100.0	100.0	239	100.0	63,231	100.0
2020	100.0	100.0	1,104	100.0	165,975	100.0
2021	100.0	--	655	100.0	111,773	100.0
<i>Source 2019, 2020 & 2021 D&B Data; Bank Data, 2019 & 2020 CRA Aggregate Data, "--" data not available.</i>						

Innovative or Flexible Lending Practices

BCSB uses innovative and/or flexible lending practices in order to serve assessment area credit needs. In addition to the programs that are available across both of the bank's assessment areas, the bank participates in several flexible home mortgage programs specifically benefitting the Providence-Warwick, RI-MA MSA. Please see below for a description of each program.

- **Buy Cities:** This program operates in conjunction with the Fall River/New Bedford Housing Partnership to promote homeownership in State-identified "Gateway Cities" that face economic challenges. The program provides down-payment assistance and job loss protection. As a lender for this program, BCSB offers financing for up to 100.0 percent of the purchase price with no mortgage insurance. During the evaluation period, the bank originated 13 loans totaling \$2.9 million under this program.
- **Pleasant View Condominiums:** During the evaluation period, BCSB paired an investment in a 14-unit building with a financing program for first-time homebuyers. The lending terms include 100.0 percent financing with no mortgage insurance and reduced closing cost fees when with the borrower attends a HUD-approved homebuyer education seminar. In 2021, the bank originated 12 loans totaling \$1.7 million under the program.

- **Down Payment Assistance from City of New Bedford:** This assistance aims to aid borrowers with limited resources in low- and moderate-income areas. The program allows qualified borrowers to pay as little as 1.5 percent of the purchase price on a single family home by satisfying the remainder of the down payment through a second loan. During the evaluation period, the bank originated five loans totaling approximately \$135,000 under this program.
- **Pro Home Inc.:** This organization, based in Taunton MA, aims to protect and develop housing for low- and moderate-income families. Down payment assistance loans are coupled with homebuyer education to aid successful homeownership. In 2020, the bank originated two loans totaling approximately \$34,000 under this program.

Please see the overall section for details and a summary of the other innovative and/or flexible loan programs offered during the evaluation period.

Community Development Loans

BCSB is a leader in making community development loans in the Providence-Warwick, RI-MA MSA assessment area. The bank originated 69 loans totaling \$56.7 million during the evaluation period. A majority of the bank’s community development lending, by number, were responsive to community service needs for low- and moderate-income individuals, a primary community development need. By dollar amount, a majority of community development lending promoted revitalization and stabilization, largely driven by the bank’s response to the COVID-19 pandemic and through PPP lending. Please see the following table for details.

Community Development Loans										
Assessment Area: Providence-Warwick, RI-MA MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize and Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Partial 2019	3	809	1	1,500	0	0	0	0	4	2,309
2020	3	1,925	21	8,288	3	4,783	9	18,681	36	33,677
2021	2	678	16	3,457	2	2,677	5	12,930	25	19,742
YTD 2022	2	419	1	484	1	100	0	0	4	1,003
Total	10	3,831	39	13,729	6	7,560	14	31,611	69	56,731

Source Bank Data

The following are notable examples of community development loans:

- In 2020, the bank participated in a \$21.3 million construction loan for a residential housing project in Mansfield. The project will develop 100 units of housing, with 12 of the units designated as affordable. The bank’s participation totaled \$10.6 million, with a qualified community development amount of \$1.3 million. This project supports affordable housing for low- and moderate-income individuals in the assessment area.
- In 2020, the bank extended a first and second commercial mortgage totaling \$4.6 million through the SBA 504 Certified Development Company (CDC) Loan Program. CDCs are

nonprofit corporations that promote economic development within their communities. The loans financed the purchase and renovation of a car wash and gas station in North Attleboro. The project will create jobs and support economic development in the assessment area.

- In 2021, the bank extended a \$1.8 million PPP loan to a small business in a low-income census tract in Providence. The PPP loan helped the business maintain operations and staff during the COVID-19 pandemic. The loan qualifies for community development by supporting revitalization and stabilization of a low-income area.

INVESTMENT TEST

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

Investment and Grant Activity

BCSB made an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made 526 qualified investments totaling approximately \$27.0 million in the assessment area. This total includes 22 equity investments, including 9 prior period investments, totaling approximately \$22.2 million, and 504 grants and donations totaling approximately \$4.8 million. The bank significantly increased qualified investments in the Providence-Warwick, RI-MA assessment area since the previous evaluation.

The following table reflects investment and grant activity in the assessment area by year and community development purpose.

Qualified Investments										
Assessment Area: Providence-Warwick, RI-MA MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	4	1,798	3	4,180	1	7,054	1	46	9	13,078
2019	0	0	6	1,300	0	0	0	0	6	1,300
2020	1	1,000	1	500	1	250	0	0	3	1,750
2021	2	2,112	0	0	1	3,267	0	0	3	5,379
YTD 2022	1	700	0	0	0	0	0	0	1	700
Subtotal	8	5,610	10	5,980	3	10,571	1	46	22	22,207
Qualified Grants & Donations	16	154	446	3,733	17	465	25	425	504	4,777
Total	24	5,764	456	9,713	20	11,036	26	471	526	26,984
<i>Source Bank Data</i>										

The following are examples of notable qualified investments that benefitted the assessment area.

Prior Period Investments

- **ARC of Bristol County:** In 2018, the bank purchased a \$2,210,000 tax-exempt bond. The ARC of Bristol County is a 501(c)(3) nonprofit human services organization committed to serving individuals with developmental disabilities throughout Bristol County. More than 95.0 percent of the individuals supported by the organization fall below the federal poverty level. The bond proceeds helped the organization purchase a new building in Attleboro, Massachusetts, which helped the organization grow its existing programs and services, and introduce new services. The current book value was \$1,945,288 as of August 31, 2022.
- **David Strauss/Key Container Corporation/Gamma Realty:** In 2019, the bank purchased a \$9.0 million tax-exempt bond to assist with economic development in the assessment area. The bond proceeds allowed the corporation, which meets the SBA's small business size standards, to expand its workforce by relocating to a larger facility in a moderate-income census tract in Pawtucket, Rhode Island. The current book value was \$7,054,083 as of August 31, 2022.

Current Period Investments

- **City of Pawtucket, RI and City of New Bedford, MA Tax-Exempt Municipal Bonds:** In 2019 and 2020, the bank purchased seven separate tax-exempt municipal bonds from the City of Pawtucket, Rhode Island (four bonds) and City of New Bedford, Massachusetts (three bonds), totaling \$1.8 million. The bond proceeds benefitted the Pawtucket and New Bedford school districts, in which the majority of the students qualify for free or reduced lunch. The bank's investment helped provide community services to low- and moderate-income individuals in the assessment area.
- **Downtown Taunton Foundation (DTF) Trescott Street LLC:** In 2020, the bank invested \$250,000 in the DTF through the Equity Investment Program. The DTF is a nonprofit Community Development Corporation (CDC) that serves the economically disadvantaged area of downtown Taunton. The bank's investment assisted DTF in acquiring ownership of three affordable housing units located on Trescott Street from The Neighborhood Corporation, a 501(c)(3) nonprofit CDC.
- **Federal National Mortgage Association (Fannie Mae) Delegated Underwriting and Servicing (DUS) Bond:** In 2021, the bank purchased a Fannie Mae DUS bond totaling \$1,112,000. The property underlying the bond is an 18-unit multi-family property located in a low-income census tract in Central Falls, Rhode Island. The property provides Section 8 housing, and all of the units are designated for individuals earning 50.0 percent or less of the area median income. The bank's investment supported affordable housing in the assessment area.

Donations

- **New Bedford Economic Development Council (NBEDC):** In 2019, 2020, 2021, and 2022,

the bank donated a total of \$175,000 to the NBEDC. The NBEDC is a nonprofit organization that helps stimulate job creation and supports small businesses by providing financing, as well as technical, start-up, and expansion assistance. The bank's donations helped spur economic development within the assessment area.

- **Southcoast LGBTQ+ Network, Inc. (Network):** In 2022, the bank donated \$125,000 to the Southcoast LGBTQ+ Network Inc., which serves the greater New Bedford area. The organization strives to build and maintain a support network for LGBTQ+ individuals by providing services, programs, and resources, and by identifying gaps in services for the LGBTQ+ community. The organization focuses on three marginalized LGBTQ+ groups: homeless LGBTQ+ youth, LGBTQ+ seniors, and transgender and non-binary individuals. The majority of the individuals served by the organization are low-and moderate-income.
- **Taunton Emergency Task Force:** In 2020 and 2021, the bank donated a total of \$60,000 to the Taunton Emergency Task Force. The task force helps address the most vital needs of low- and moderate-income individuals in Taunton and its surrounding areas. In 2020, the bank donated \$10,000. In 2021, the bank donated \$50,000 to assist low- and moderate-income individuals specifically affected by the COVID-19 pandemic.

Responsiveness to Credit and Community Development Needs

BCSB exhibits excellent responsiveness to the credit and community development needs of the assessment area. A large portion of the bank's equity investments targeted community services to low- and moderate-income individuals and supported affordable housing in the assessment area. This activity reflects the bank's responsiveness to the area's primary community development need of community services to low- and moderate- income individuals, as well as the need for affordable housing. Furthermore, the vast majority of grants and donations, by number and dollar amount, went towards providing community services to low- and moderate-income individuals. Additionally, the bank was responsive to the community service needs resulting from the COVID-19 pandemic, which caused widespread economic hardship in the assessment area.

Community Development Initiatives

BCSB occasionally uses innovative and complex investments to support community development initiatives in the assessment area. The bank maintains FHTCs from the prior period, which helped stabilize a low-income area and provide affordable housing for low- and moderate-income individuals. The bank's self-developed Equity Investment Program also supported community development initiatives in the assessment area. Please refer to the overall Investment Test for details.

SERVICE TEST

The Service Test is rated “High Satisfactory”. The following sections discuss the bank’s performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the Providence-Warwick, RI-MA MSA assessment area. The bank operates 17 out of 18 total branches in this assessment area. The following table illustrates the distribution of branches, ATMs, and ITMs by census tract income level within the assessment area.

Branch and ATM/ITM Distribution by Geography Income Level										
Assessment Area: Providence-Warwick, RI-MA MSA										
Tract Income Level	Census Tracts		Population		Branches		ATMs		ITMs	
	#	%	#	%	#	%	#	%	#	%
Low	52	19.5	188,239	15.9	2	11.8	2	11.8	1	33.3
Moderate	63	23.6	242,355	20.5	2	11.8	1	5.9	1	33.3
Middle	87	32.6	404,881	34.2	6	35.3	7	41.2	1	33.3
Upper	63	23.6	343,455	29.0	7	41.2	7	41.2	0	0.0
NA	2	0.7	4,292	0.4	0	0.0	0	0.0	0	0.0
Total	267	100.0	1,183,222	100.0	17	100.0	17	100.0	3	100.0

Source 2015 ACS Data; Bank Data. Due to rounding, totals may not equal 100.0%.

The distribution of BCSB’s branches and ATMs is lower than the demographics of the assessment area by percentage; however, the bank’s headquarters and a full-service branch are in a moderate-income census tract in Taunton and are accessible to the surrounding geographies. The bank also has branches in New Bedford, Fall River, Pawtucket, North Attleboro, and Cumberland that are not in low- or moderate-income census tracts, but are readily accessible to the surrounding low- and moderate-income census tracts and Opportunity Zones. Opportunity Zones are located New Bedford, Fall River, Taunton, North Attleboro, and Cumberland. State governments and the U.S. Department of Treasury recognize Opportunity Zones as areas of distress and economic need.

Although the bank does not have a physical branch presence in Providence, alternative delivery systems provide accessibility to all geographies in the assessment area. The bank offers online banking, mobile banking, telephone banking, and support through its Customer Service Center. Businesses and consumers can access their accounts 24-hours a day to perform various transactions. While these services are not targeted to low- and moderate-income persons or geographies, they benefit and increase accessibility for all customers in the assessment area.

Changes in Branch Locations

To the extent that changes have been made, the bank’s record of opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. In 2020, the bank

acquired two branches in middle-income census tracts in Cumberland, Rhode Island and Greenville, Rhode Island as part of the Freedom National Bank acquisition. The Cumberland branch improved the accessibility of delivery systems to Opportunity Zones in Cumberland and Woonsocket. Since the previous evaluation, the bank also added an ITM at the Fall River branch located in a low-income census tract. The addition of the ITM improved the accessibility of delivery systems to the low- and moderate-income census tracts in and around Fall River.

In 2020, the bank closed a branch located in a moderate-income census tract in New Bedford, Massachusetts. The branch was within a two-mile radius of another New Bedford branch located in a low-income census tract. Therefore, the branch closure did not have a significant impact on the low- and moderate-income geographies surrounding the branch. In 2022, the bank also closed a branch located in a Walmart in an upper-income census tract in Raynham, Massachusetts. The bank maintains another branch approximately two miles away in Raynham from the closed location. The branch closure did not adversely affect low- and moderate-income individuals.

Reasonableness of Business Hours and Services

Services, including 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 offers the same products and services at each branch. Branch hours are generally consistent across all locations and are comparable to other institutions in the assessment area. On January 15, 2022, the bank temporarily closed six branches on Saturdays due to staffing shortages. The six branches were located in low-income (1), middle-income (2), and upper-income (3) census tracts. All customers were encouraged to use other near-by locations.

All branches offer drive-up teller access that is available at least 30 minutes prior to the lobby opening. Each branch has a 24-hour ATM, which provides additional banking access outside of normal branch hours. Most of the bank's offices are opened 9:00AM – 4:30PM on Mondays through Wednesdays; 9:00AM – 5:00PM on Thursdays; 9:00AM – 6:00PM on Fridays; and 9:00AM – 12:00AM on Saturdays. Extended banking hours of 7:00AM – 7:00PM on Monday through Friday are available at the New Bedford and Fall River branches, both located in low- and moderate-income census tracts. The New Bedford branch is open on Saturdays from 8:00AM – 1:00PM; offering longer Saturday hours in the low-income area. Additionally, the retail branches located in Fall River, New Bedford, and Taunton, Massachusetts are equipped with ITMs that offer extended hours from 7:00 a.m. to 7:00 p.m., Monday through Friday and from 8:00 a.m. to 1:00 p.m. on Saturdays.

Further, BCBS offers community room spaces that consist of a multi-functional room provided expressly to nonprofit organizations in the community. The community room spaces are located in New Bedford branch, which is in a low-income census tract, and at the Taunton headquarters, which is in a moderate-income census tract.

Community Development Services

BCSB is a leader in providing community development services in the Providence-Warwick, RI-MA MSA assessment area. During the evaluation period, bank employees provided 1,889 hours of

community development services to different community development organizations within the assessment area. This is an increase from the previous evaluation, when the bank provided approximately 1,800 hours of community development services.

The majority of the bank’s community development services provided during the review period supported community services, which was responsive to identified community needs. The following table illustrates the bank’s community development services by year and purpose.

Community Development Services					
Assessment Area: Providence-Warwick, RI-MA MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (Partial)	19	286	26	24	355
2020	39	403	98	145	685
2021	30	573	17	131	751
YTD 2022	9	67	13	10	99
Total	97	1,328	153	311	1,889
<i>Source Bank Data</i>					

Below are examples of notable community development services that benefitted the area.

- **New Bedford Economic Development Council Inc. (NBEDC):** NBEDC supports the City of New Bedford’s economic development initiatives. The City of New Bedford’s economic development initiatives include creating access to job training and workforce development programs to low- or moderate-income people. Members of BCSB’s senior management team serves in a variety leadership roles for NBEDC.
- **YMCA of Attleboro:** The YMCA of Attleboro provides community services primarily to low- and moderate-income individuals. Two members of the bank’s management team serve in leadership roles for the organization.
- **Associates for Human Services (AHS):** AHS provides community services for low- and moderate-income children, adults, and seniors experiencing medical needs, developmental delays and/or disabilities, economical disadvantages, or educational risk factors in greater Taunton. A member of the BCSB’s senior management serves as an active board member, including formally serving as the Board’s Treasurer.
- **Fall River/New Bedford Housing Partnership:** The Fall River/New Bedford Housing Partnership supports the City of Fall River’s and City of New Bedford’s affordable housing initiatives. The organization offers homeownership seminars and homeownership financial assistance programs for low- and moderate-income individuals. BCSB employees taught first-time homebuyer seminars and held leadership roles within the organization.

MASSACHUSETTS

CRA RATING FOR MASSACHUSETTS: SATISFACTORY

- The Lending Test is rated: Satisfactory**
- The Investment Test is rated: Satisfactory**
- The Service Test is rated: Satisfactory**

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MASSACHUSETTS

BCSB operates one of its 18 branches in the Massachusetts assessment area. The bank designated one assessment area in the Boston MA MD, which includes the municipalities of Franklin, Plainville, and Wrentham in Norfolk County.

The Norfolk County assessment area comprises nine census tracts with the following income designations according to the 2015 ACS:

- 1 middle-income census tract, and
- 8 upper-income census tracts

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

Demographic Information of the Assessment Area						
Assessment Area: Norfolk County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	0.0	11.1	88.9	0.0
Population by Geography	52,753	0.0	0.0	11.1	88.9	0.0
Housing Units by Geography	19,278	0.0	0.0	9.5	90.5	0.0
Owner-Occupied Units by Geography	14,781	0.0	0.0	9.6	90.4	0.0
Occupied Rental Units by Geography	3,585	0.0	0.0	9.2	90.8	0.0
Vacant Units by Geography	912	0.0	0.0	7.8	92.2	0.0
Businesses by Geography	5,248	0.0	0.0	7.7	92.3	0.0
Farms by Geography	154	0.0	0.0	5.8	94.2	0.0
Family Distribution by Income Level	13,533	9.6	11.4	20.0	59.0	0.0
Household Distribution by Income Level	18,366	15.3	10.5	15.2	59.0	0.0
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Housing Value			\$385,759
			Median Gross Rent			\$1,091
			Families Below Poverty Level			2.3%

Source 2015 ACS, 2021 D&B Data, and FFIEC Estimated Median Family Income.

There are 19,278 housing units in the Norfolk County assessment area. Of these units, 76.7 percent are owner occupied, 18.6 percent are occupied rental units, and 4.7 percent are vacant. The median housing value of \$385,759 reflects a relatively expensive area.

The following table presents the low-, moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
2020 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
2021 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
<i>Source FFIEC</i>				

According to 2021 D&B data, there were 5,248 businesses in the area. GARs for these businesses are below.

- 84.4 percent of businesses have GARs less than or equal to \$1.0 million,
- 5.0 percent of businesses have GARs greater than \$1.0 million, and
- 10.6 percent of businesses have unknown revenues.

Service industries represent the largest portion of businesses at 36.7 percent; followed by non-classifiable establishments (17.0 percent); retail trade (13.1 percent); and finance, insurance, and real estate (9.9 percent). In addition, 64.9 percent of area businesses have four or fewer employees, and 92.1 percent operate from a single location.

Competition

BCSB operates in a limited market for banking services in the assessment area. According to 2021 Deposit Market Share data, there were 12 financial institutions operating 16 branches in the assessment area. BCSB ranked 10th with a deposit market share of 5.0 percent. The leading institutions (Bank of America, Rockland Trust, and Citizens Bank NA) represented a deposit market share of 49.6 percent.

The bank operates in a competitive area for home mortgage loans. According to peer mortgage data, 245 lenders originated or purchased 2,835 home mortgage loans in 2019. BCSB ranked 48th with 0.5 percent market share. The top lenders were CitiBank N.A.; Wells Fargo Bank, N.A.; and Bank of America, N.A., accounting for 15.4 percent market share. In 2020, 258 lenders originated or purchased 4,370 home mortgage loans. BCSB ranked 51st with 0.5 percent market share. The top lenders were Quicken Loans, LLC; Leader Bank, N.A.; and Citizens Bank, N.A., accounting for 13.8 percent market share. In 2021, 270 lenders reported 4,161 originated or purchased home mortgage loans. BCSB ranked 52nd with 0.4 percent market share. The three most prominent

mortgage lenders (Rocket Mortgage, CBNA, and Fairway Independent Mortgage Group) accounted for 14.7 percent of the total market share.

The bank also operates in a competitive area for small business loans. Based on 2019 market share data, 122 lenders reported 22,113 small business loans. BCSB ranked 53rd with 0.1 percent market share. The leading financial institutions (American Express Bank, Bank of America, and JP Morgan Chase Bank) were large credit card companies. According to 2020 peer small business data, 156 lenders reported 24,360 small business loans. BCSB ranked 34th with 0.3 percent market share. The leading small business lenders (American Express National Bank, Bank of America, and Citizens Bank NA) account for 42.6 percent of the total market share. The improvement in the bank's market share from 2019 to 2020 reflects the institution's responsiveness to the credit needs satisfied by small business PPP lending.

Credit and Community Development Needs

Based on demographic and economic information, the Norfolk County assessment area exhibits credit needs for home mortgage loans and small business loans. Community development needs include affordable housing and community services assisting low- and moderate-income individuals. Opportunities for community development activities in this area include credit counseling opportunities and homeownership education programs to assist low- and moderate-income families achieve homeownership or access affordable rental housing.

SCOPE OF EVALUATION – MASSACHUSETTS

Examiners used full-scope examination procedures to review the bank's performance in the Massachusetts assessment area, which encompasses the Norfolk County assessment area. The scope of evaluation for this assessment area is the same as the scope described in the overall Scope of Evaluation section. Please refer to that section for details on the review period, products reviewed, and weighting of products. In determining the overall rating, examiners placed less weight on the bank's performance in this assessment area. The bank maintains only one retail branch in this area, and the vast majority of bank lending, investment, and service activity occurs in the Providence-Warwick, RI-MA MSA assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MASSACHUSETTS

LENDING TEST

The Lending Test is rated "Satisfactory". The following sections discuss the bank's performance under each criterion.

Lending Activity

BCBS's lending activity reflects adequate responsiveness to credit needs, especially considering the bank's limited branch presence in the Norfolk County assessment area. In 2019, BCSB originated or purchased 13 loans totaling \$5.5 million. In 2020, the bank originated or purchased 20 home mortgage

loans totaling \$7.4 million. In 2021, the bank originated or purchased 17 home mortgage loans for a total of \$26.8 million. The dollar growth in 2021 was driven by one \$21.0 million multifamily loan. The bank's 2021 market ranking of 52nd out of 270 lenders supports adequate performance given the limited branch presence in the area. The bank's market rankings were similar in 2019 and 2021 at 48th out of 245 lenders and 52nd out of 258 lenders, respectively.

BCSB originated 18 small business loans for \$4.5 million in the assessment area in 2019. The bank originated 49 small business loans totaling \$7.6 million in the assessment area in 2020, an increase due to PPP lending. In 2021, the bank originated 30 small business loans totaling \$5.7 million. The bank's 2020 market ranking of 34th out of 156 lenders, and improvement over the bank's 2019 market ranking of 53rd, supports adequate performance.

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, examiners did not evaluate this criterion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the bank, adequate penetration among individuals of different income levels and among businesses of different sizes.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels. The bank did not originate any loans to low-income borrowers during the evaluation period. As shown in the table below, aggregate performance was well below the percent of low-income families. Low-income families, especially those below the poverty level, may face challenges in qualifying for a home mortgage given the median home value in the assessment area.

Among moderate-income borrowers, performance was below aggregate and the percentage of moderate-income families in 2019. Performance improved slightly in 2020, but remained below both comparators. In 2021, performance was similar by number, but improved by percentage. While performance remained below aggregate, it exceeded the percent of moderate-income families.

Given the bank's limited branch presence, high competition for home mortgage loans, and improving trend in lending to moderate-income families, performance is adequate. Please see the following table for details.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Norfolk County						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	9.6	4.1	0	0.0	0	0.0
2020	9.6	2.6	0	0.0	0	0.0
2021	9.6	3.8	0	0.0	0	0.0
Moderate						
2019	11.4	15.9	1	7.7	400	7.3
2020	11.4	13.7	2	10.0	542	7.3
2021	11.4	15.6	2	11.8	314	1.2
Middle						
2019	20.0	22.0	6	46.2	2,480	45.0
2020	20.0	24.6	4	20.0	1,460	19.7
2021	20.0	23.9	4	23.5	1,492	5.6
Upper						
2019	59.0	45.5	6	46.2	2,631	47.7
2020	59.0	47.8	14	70.0	5,400	73.0
2021	59.0	42.2	9	52.9	3,891	14.5
Not Available						
2019	0.0	12.6	0	0.0	0	0.0
2020	0.0	11.4	0	0.0	0	0.0
2021	0.0	14.4	2	11.8	21,150	78.8
Total						
2019	100.0	100.0	13	100.0	5,511	100.0
2020	100.0	100.0	20	100.0	7,402	100.0
2021	100.0	100.0	17	100.0	26,847	100.0
<i>Source 2015 ACS; Bank Data, 2019, 2020 & 2021 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different sizes. In 2019, the bank's percentage of lending to businesses with GARs of \$1.0 million or less was below aggregate performance and demographics. The following table shows that lending to businesses with GARs of \$1.0 million or less fell further below aggregate and business demographics in 2020 and 2021; however, the percentages are impacted by the high percentage of PPP loans without revenue information. Please see the following table for details.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Norfolk County						
Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	82.4	41.5	4	22.2	751	16.8
2020	83.0	40.5	7	14.3	1,213	15.9
2021	84.4	--	4	13.3	1,785	31.0
>\$1,000,000						
2019	6.1	--	14	77.8	3,717	83.2
2020	5.8	--	22	44.9	4,984	65.4
2021	5.0	--	11	36.7	2,008	34.9
Revenue Not Available						
2019	11.4	--	0	0.0	0	0.0
2020	11.2	--	20	40.8	1,424	18.7
2021	10.6	--	15	50.0	1,959	34.1
Total						
2019	100.0	100.0	18	100.0	4,468	100.0
2020	100.0	100.0	49	100.0	7,621	100.0
2021	100.0	--	30	100.0	5,752	100.0
<i>Source 2019, 2020 & 2021 D&B Data; Bank Data, 2019 & 2020 CRA Aggregate Data, "--" data not available</i>						

Innovative or Flexible Lending Practices

BCSB uses innovative and flexible lending practices in order to serve assessment area credit needs. Please see the overall section for detail on the lending programs available for both assessment areas.

Community Development Loans

The bank did not originate any community development loans in the Norfolk County assessment area. Examiners placed less weight on this factor in determining the Lending Test rating given the absence of low- or moderate-income census tracts and the bank's limited presence in the area.

INVESTMENT TEST

The Investment Test for Massachusetts is rated "Satisfactory". The following sections discuss the bank's performance under each criterion.

Investment and Grant Activity

BCSB made an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made donated \$5,000 to the Franklin Food Pantry. The Franklin Food Pantry is a nonprofit organization that serves low- and moderate-income individuals and families in Franklin who are facing food insecurity. In addition to the walk-in pantry, the organization offers a variety of programs and services, such as the mobile pantry, home delivery services, summer farmers market, emergency food bags, and holiday bags. The pantry offers food, household supplies, and personal care items, and relies on donations from the community. Performance in this area was similar to the prior evaluation period.

Responsiveness to Credit and Community Development Needs

BCSB exhibits adequate responsiveness to credit and community development needs when considering the limited operations in the assessment area. The bank's donation provided community services to low- and moderate-income individuals which was identified as a community development need in the assessment area.

Community Development Initiatives

BCSB does not use innovative and/or complex investments to support community development initiatives in the assessment area.

SERVICE TEST

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

Accessibility of Delivery Systems

The bank's delivery systems are accessible to essentially all portions of the assessment area. The bank operates one full-service branch and an ATM in an upper-income census tract. Most of the bank's alternative delivery systems, business banking services, and other banking services previously discussed are available within the Norfolk County assessment area; however, the bank does not operate an ITM in this location.

Changes in Branch Locations

Since the previous evaluation, the bank has not opened or closed any branches within the Norfolk County assessment area.

Reasonableness of Business Hours and Services

The bank's services and business hours do not vary in a way that inconveniences certain portions of the area, particularly low- and moderate-income geographies and individuals. Branch hours and services are similar to those offered across the rest of the bank's branch network. The branch is open Monday through Wednesday from 9:00AM to 4:00 PM and Thursday through Friday from 9:00AM to 5:00PM. Drive-up teller access is available 30 minutes prior to the lobby opening and a 24-hour ATM provides additional banking access outside of normal branch hours.

Community Development Services

BCSB provides an adequate level of community development services to the assessment area. The bank's community development services that benefitted the broader regional area, further described in the overall section, also benefitted this assessment area. The bank provided 84 community development service hours that benefitted the regional area including the assessment area.

APPENDICES

DIVISION OF BANKS 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. 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.

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2020 and 2021 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2015 ACS Census Data, the bank's assessment area contained a total population of 852,761 individuals of which 18.9 percent are minorities. The minority population represented is 4.1 percent Black/African American, 2.2 percent Asian, 0.1 percent American Indian, 9.0 percent Hispanic or Latino, and 3.5 percent other.

The bank's level of lending in 2020 and 2021 was compared with that of the 2020 and 2021 aggregate lending 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 following table for information on the bank's minority application flow as well as the minority application flow of aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	Bank 2020 HMDA		2020 Aggregate Data	Bank 2021 HMDA		2021 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	1	0.1	0.2	5	0.8	0.3
Asian	25	3.4	2.6	19	2.8	2.5
Black/ African American	15	2.0	4.5	23	3.4	5.9
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0	0.2
2 or more Minority	1	0.1	0.1	0	0.0	0.1
Joint Race (White/Minority)	8	1.1	1.1	9	1.4	1.2
Total Racial Minority	50	6.7	8.7	56	8.4	10.2
White	607	82.5	70.5	515	77.1	65.3
Race Not Available	79	10.8	20.8	97	14.5	24.5
Total	736	100.0	100.0	668	100.0	100.0
ETHNICITY						
Hispanic or Latino	15	2.0	4.6	24	3.6	5.7
Joint (Hisp/Lat /Not Hisp/Lat)	11	1.5	1.1	9	1.3	1.2
Total Ethnic Minority	26	3.5	5.7	33	4.9	6.9
Not Hispanic or Latino	581	79.0	72.8	503	75.3	68.7
Ethnicity Not Available	129	17.5	21.5	132	19.8	24.4
Total	736	100.0	100.0	668	100.0	100.0

Source ACS Census 2015, HMDA Aggregate Data 2020 and 2021, HMDA LAR Data 2020 and 20221

In 2020, the bank received 736 HMDA reportable loan applications within its assessment area. Of these applications, 50 or 6.7 percent were received from racial minority applicants, of which 27 or 54.0 percent resulted in originations. The aggregate received 8.7 percent of its applications from racial minority applicants, of which 60.5 percent were originated. For the same period, the bank received 26 or 3.5 percent of all applications from ethnic groups of Hispanic origin within its assessment area. Of these applications, 22 or 84.6 percent were originated. This was compared to an aggregate ethnic minority application rate of 5.7 percent with a 56.8 percent origination rate.

In 2021, the bank received 668 HMDA reportable loan applications within its assessment area. Of these applications, 56 or 8.4 percent were received from racial minority applicants, of which 43 or 76.8 percent resulted in originations. The aggregate received 10.2 percent of its applications from racial minority applicants, of which 60.8 percent were originated. For the same period, the bank received 33 or 4.9 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which 24 or 72.7 percent resulted in originations. This was compared to an aggregate ethnic minority application rate of 6.9 percent with a 60.5 percent origination rate.

The bank's lending in 2020 and 2021 reflect an adequate racial minority application flow. The bank's advertising and resources for individuals with limited English proficiency further support their performance. Considering the demographic composition of the assessment area and comparisons to aggregate data, the bank's minority application flow is adequate.

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

SCOPE OF EVALUATION		
TIME PERIOD REVIEWED	June 24, 2019 through September 12, 2023	
FINANCIAL INSTITUTION	PRODUCTS REVIEWED	
Bristol County Savings Bank	Home Mortgage Loans	Small Business Loans

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Providence-Warwick, RI-MA MSA	Full-Scope	0	N/A
Norfolk County	Full-Scope	0	N/A

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Providence-Warwick RI-MA MSA	Satisfactory	Outstanding	High Satisfactory	Satisfactory
Massachusetts	Satisfactory	Satisfactory	Satisfactory	Satisfactory

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 (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 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 (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.

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.