

PUBLIC DISCLOSURE

May 16, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Brookline Bank

Certificate Number: 17798

2 Harvard Street
Brookline, Massachusetts 02445

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

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

TABLE OF CONTENTS

INSTITUTION RATING.....	1
DESCRIPTION OF INSTITUTION	3
DESCRIPTION OF ASSESSMENT AREAS	4
SCOPE OF EVALUATION.....	7
CONCLUSIONS ON PERFORMANCE CRITERIA	8
LARGE BANK PERFORMANCE CRITERIA.....	21
GLOSSARY	2323

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.

The Massachusetts Division of Banks (Division) assigns ratings for Large Bank Community Reinvestment Act (CRA) examinations pursuant to Regulatory Bulletin 2.3-102, the Division’s CRA Ratings Policy. The following table displays Brookline Bank’s performance with respect to the Lending, Investment, and Service Tests.

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

The Lending Test is rated High Satisfactory.

- Lending levels reflects good responsiveness to assessment area credit needs.
- A substantial majority of loans are made inside the bank’s assessment area.
- The geographic distribution of loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects good penetration among borrowers of different income levels and businesses of different sizes.
- The bank is a leader in providing community development loans.
- The bank makes use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified investments and donations.
- The bank exhibits good responsiveness to credit and community economic development needs.

- The bank makes occasional use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated Satisfactory

- The bank's delivery systems are reasonably accessible to essentially all portions of its assessment area.
- To the extent changes have been made, 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.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals.
- The bank provides an adequate level of community development services

DESCRIPTION OF INSTITUTION

Background

Brookline Bank is a state-chartered commercial bank headquartered at 2 Harvard Street Brookline, Massachusetts. The bank was first chartered in 1871 and is a wholly owned subsidiary of Brookline Bancorp, a multi-bank holding company which also controls Bank Rhode Island. Brookline Bank has five subsidiaries: Ajax Development LLC, BBS Investment Corp., Brookline Bancorp 1031 Exchange Services LLC, Eastern Funding LLC, and Longwood Securities Corp. During the previous examination, Brookline Bank merged with First Ipswich Bank, which was a wholly owned subsidiary of Brookline Bancorp prior to the merger.

The bank received a “Satisfactory” rating from the Massachusetts Division of Banks at its last CRA Performance Evaluation, dated February 10, 2020, when it was evaluated using Interagency Large Institution Examination Procedures.

Operations

Brookline Bank operates 30 full-service branches in its assessment area, across Essex, Middlesex, Norfolk, and Suffolk Counties. Branch offices are in Arlington, Bedford, Boston (2), Brookline (5), Burlington, Chestnut Hill, Danvers, Essex, Gloucester, Ipswich, Lexington, Malden, Medford (3), Needham, Newburyport, Newton (3), Rowley, Waltham, Wellesley (2), and West Roxbury. In addition, the bank operates two loan production offices located in Braintree and Wakefield. In 2020, the bank closed a branch located at 34 Cambridge Street, in Burlington, which was in a middle-income census tract.

On February 14, 2020, Brookline Bank merged with First Ipswich Bank. The merge added several branch locations to the bank and expanded its operations to include Essex County. These branches are in Danvers, Essex, Gloucester, Ipswich, and Newburyport. Of the new branches, Gloucester is in a low-income census tract, while the rest of the branches are in middle- and upper-income census tracts.

The bank offers an array of loan products, including adjustable and fixed-rate mortgages, home equity loans and lines of credit, short-term personal loans, overdraft lines of credit, commercial loans and lines of credit, SBA loans, and condominium association loans. Deposit products include checking and savings accounts for individuals and businesses. The bank also maintains Interest on Lawyers' Trust Accounts (IOLTA), the interest from which helps fund improvements in the administration of justice and delivery of legal services to low-income clients. The bank additionally offers personal investment advisory services, business credit cards, and foreign exchange services. Alternative banking services include mobile and online banking, as well as mobile wallets.

Ability and Capacity

As of March 31, 2022, assets totaled approximately \$5.7 billion, and deposits totaled \$4.6 billion. Total loans were \$4.9 billion, representing 68.5 percent of total assets. Total securities were \$328.7

million. Since the previous CRA evaluation, assets increased 14 percent, and the lending portfolio increased 8.9 percent. The following table illustrates the distribution of the bank’s loan portfolio.

Loan Portfolio Distribution as of 03/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	91,793	1.9
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	718,744	14.5
Secured by Multifamily (5 or more) Residential Properties	839,544	16.9
Secured by Nonfarm Nonresidential Properties	1,995,259	40.2
Total Real Estate Loans	3,645,340	73.5
Commercial and Industrial Loans	1,234,816	24.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	43,328	0.9
Obligations of State and Political Subdivisions in the U.S.	23,874	0.5
Other Loans	312	0.0
Lease Financing Receivable (net of unearned income)	11,182	0.2
Less: Unearned Income	0	0.0
Total Loans	4,958,852	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The bank’s assessment area, as currently defined, meets the technical requirements of the CRA Regulation.

Economic and Demographic Data

The assessment area includes 716 census tracts and contains all of Suffolk and Essex County and portions of Middlesex and Norfolk County.

The assessment area was expanded to include all of Essex County following the bank’s merger with First Ipswich Bank. The assessment area reflects the following income designations according to the 2015 ACS data:

- 95 low-income tracts,
- 147 moderate-income tracts,
- 250 middle-income tracts, and
- 210 upper-income tracts
- 14 census tracts with no income designation

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	716	13.3	20.5	34.9	29.3	2.0
Population by Geography	3,253,657	11.5	20.7	36.8	30.7	0.2
Housing Units by Geography	1,322,857	10.7	21.1	37.9	30.0	0.3
Owner-Occupied Units by Geography	697,928	4.2	15.1	41.8	38.6	0.2
Occupied Rental Units by Geography	545,570	18.7	28.2	33.2	19.4	0.5
Vacant Units by Geography	79,359	12.8	24.7	35.3	26.6	0.5
Businesses by Geography	351,903	8.1	15.7	34.7	41.1	0.4
Farms by Geography	5,424	5.5	13.1	41.3	40.0	0.1
Family Distribution by Income Level	756,269	24.8	16.0	18.7	40.4	0.0
Household Distribution by Income Level	1,243,498	27.8	14.3	15.9	42.0	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$80,751	Median Housing Value			\$433,180
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Gross Rent			\$1,314
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Families Below Poverty Level			8.2%
Median Family Income MSA - 44140 Springfield, MA MSA		\$67,203				

Source: 2015 ACS, 2021 D&B Data, and FFIEC Estimated Median Family Income.
 (*) The NA category consists of geographies that have not been assigned an income classification.

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

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)				
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
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2020 (\$118,800)	<\$59,400	\$59,400 to <\$95,040	\$95,040 to <\$142,560	≥\$142,560
2021 (\$120,200)	<\$60,100	\$60,100 to <\$96,160	\$96,160 to <\$144,240	≥\$144,240

Source: FFIEC

The U.S. Bureau of Labor Statistics (BLS) data indicated that the March 2022 unemployment rate in Massachusetts was 3.8 percent. For the same time period, the counties of the assessment area had an unemployment rate of 4.1 percent in Essex County, 3.3 percent in Suffolk County, 3.2 percent in Norfolk County, and 2.8 percent in Middlesex County.

Competition

Competition is high for deposits within the assessment area. According to the June 30, 2021, FDIC Deposit Market Share data, 101 institutions operate 1,205 branches within the assessment area. Of these, Brookline Bank ranked 15th with 0.9 percent of the deposit market share. The top three depository institutions had a combined deposit market share of 66.9 percent.

The institution also faces significant competition for home mortgage loans. According to 2020 HMDA aggregate data, 527 lenders originated or purchased 192,366 loans in the assessment area. Brookline Bank ranked 64th with a market share of 0. percent. The top three lenders were Quicken Loans; Leader Bank NA; and Guaranteed Rate Inc.; combining for 14 percent of the total market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners contacted an affordable housing and community services organization that provides assistance in the Essex County portion of the assessment area, to low-to moderate-income seniors, individuals, and families, as well as those who have been homeless. The organization provides crucial supportive services to its residents, such as intensive care for seniors, social connections, financial coaching, life-enriching activities, and health and personal care services. The contact noted that donations and favorable financing are the organization's most critical needs from local financial institutions. The contact also noted that many local financial institutions support the organization via donations, financing, and equity investments, specifically noting Brookline Bank. The contact noted that for the local financial institutions already involved, their continued support is essential for the organization's ability to keep providing, developing, and operating its affordable housing. The contact also noted that other local financial institutions must become involved as well, particularly through donations and financing.

Credit and Community Development Needs and Opportunities

Examiners determined that affordable housing, community development services for low- and moderate-income individuals, and economic development for local small businesses represent the primary community development needs of the assessment area. This is based on information from the community contacts, bank management, and the assessment area's demographic and economic

data. Specifically, affordable housing involvement, in the form of donations and financing to local organizations, could help develop and sustain affordable housing for those in need.

SCOPE OF EVALUATION

General Information

This Evaluation covers the period from the prior Evaluation dated February 10, 2020, to the current Evaluation dated May 16, 2022. Examiners used the Federal Financial Institutions Examination Council's (FFIEC) Interagency Large Institution Examination Procedures to evaluate Brookline Bank's CRA performance. These procedures subject the bank to three tests by which it will be evaluated: the Lending Test, Investment Test, and Service Test.

The Lending Test was based on small business and home mortgage loans originated by the bank within its assessment area in 2020 and 2021. Examiners used aggregate data for 2020 and 2015 American Community Survey (ACS) demographic data to analyze performance under the Lending Test. The Investment Test considered the number and dollar amount of qualified community development investments made since the prior evaluation, including the number and dollar amount of any qualified prior period investments not yet at maturation. Similarly, the Service test considered the extent of the bank's qualified community development services performed since the prior evaluation.

Activities Reviewed

As part of the Lending Test, examiners considered home mortgage and small business loans based on the Bank's business strategy and the number and dollar volume of loan originations during the evaluation period. The loan portfolio consisted primarily of small business loans; therefore, examiners attributed more weight to small business lending activity than home mortgage lending when evaluating lending activity during the evaluation period. Although the Lending Test reflects the number and dollar volume of loans, examiners assigned more weight to the number of loans because those figures better indicate the number of individuals and businesses served.

This Evaluation considered all small business loans reported on the bank's CRA Loan Register in 2020 and 2021. For home mortgage loans, examiners analyzed all those loans reported on the Bank's 2020 and 2021 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs).

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Brookline Bank’s Lending Test is rated High Satisfactory. The bank demonstrated good performance under the Lending Test. The following sections address overall bank performance for each Lending Test component.

Lending Activity

This performance criterion considers the volume of the bank’s lending in relation to its financial condition and resources. The bank’s lending levels reflect good responsiveness to assessment area credit needs. Across 2020 and 2021, the bank originated 3,455 small business and home mortgage loans totaling \$1.1 billion. Of these, 1,879 small business loans totaling approximately \$256 million and 1,266 home mortgage loans totaling approximately \$697 million were located inside the assessment area. The bank originated significantly more small business loans in 2020 and is primarily attributable to the loans originated through the SBA Paycheck Protection Program (PPP) in response to the COVID-19 pandemic.

Assessment Area Concentration

Brookline Bank made a substantial majority of its home mortgage and small business loans by number and dollar volume within the assessment area. The following table illustrates the bank’s home mortgage and small business lending activity inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	657	91.3	63	8.8	720	279,295	84.5	51,271	15.5	330,565
2021	609	87.6	86	12.4	695	417,943	81.0	98,150	19.0	516,093
Subtotal	1,266	89.5	149	10.5	1,415	697,238	82.4	149,421	17.6	846,659
Small Business										
2020	1,133	92.6	90	7.4	1,223	154,760	88.7	19,705	11.3	174,465
2021	746	91.3	71	8.7	817	101,412	85.6	17,106	14.4	118,518
Subtotal	1,879	92.1	161	7.9	2,040	256,172	87.4	36,811	12.6	292,983
Total	3,145	91.0	310	9.0	3,455	953,410	83.6	186,232	16.4	1,139,642
<i>Source: Bank Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank's adequate performance with respect to both home mortgage lending and small business lending activities supports this conclusion. Examiners focused on the percentage by number of loans originated in low- and moderate-income census tracts and noted the downward trend in terms of performance compared to the last evaluation. The assessment area is comprised of 242 low and moderate-income census tracts and the bank trails the aggregate in home mortgage lending and small business to low and moderate-income geographies.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Home mortgage lending activity in low- and moderate-income census tracts supports this conclusion. The following table illustrates the dispersion of home mortgage loans by census tract income designation within the assessment area in 2020 and 2021.

Geographic Distribution of Home Mortgage Loans							
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Low							
2020	4.2	4.4	0.2	20	3.0	41,049	14.7
2021	4.2	--	--	10	1.6	21,084	5.0
Moderate							
2020	15.1	15.0	0.3	72	11.0	24,195	8.7
2021	15.1	--	--	63	10.3	57,974	13.9
Middle							
2020	41.8	40.8	0.3	231	35.2	59,964	21.5
2021	41.8	--	--	236	38.8	133,930	32.0
Upper							
2020	38.6	39.5	0.4	331	50.4	152,591	54.6
2021	38.6	--	--	300	49.3	204,954	49.0
Not Available							
2020	0.2	0.2	0.8	3	0.5	1,496	0.5
2021	0.2	--	--	0	0.0	0	0.0
Totals							
2020	100.0	100.0	0.3	657	100.0	279,295	100.0
2021	100.0	--	--	609	100.0	417,943	100.0
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The distribution of small business loans in low- and moderate-income census tracts supports this conclusion. Examiners weighed the bank's performance against aggregate performance and demographic data (the percentage of businesses) for 2020, and against demographic data for 2021, as aggregate performance for that year was unavailable as of the date of this Evaluation.

The following table illustrates the dispersion of small business loans by census tract income designation within the assessment area in 2020 and 2021.

Geographic Distribution of Small Business Loans							
Tract Income Level	% of Businesses	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Low							
2020	7.9	7.8	0.5	43	3.8	8,294	5.4
2021	8.1	--	--	37	5.0	7,714	7.6
Moderate							
2020	15.5	15.8	0.6	119	10.5	17,462	11.3
2021	15.7	--	--	90	12.1	14,525	14.3
Middle							
2020	34.5	36.1	1.1	480	42.4	62,619	40.5
2021	34.7	--	--	307	41.2	39,840	39.3
Upper							
2020	41.6	40.0	1.0	485	42.8	64,379	41.6
2021	41.1	--	--	307	41.2	37,676	37.2
Not Available							
2020	0.5	0.4	0.9	6	0.5	2,006	1.3
2021	0.4	--	--	5	0.7	1,657	1.6
Total							
2020	100.0	100.0	0.9	1,133	100.0	154,760	100.0
2021	100.0	--	--	746	100.0	101,412	100.0
<i>Source: 2020 & 2021 D&B Data; Bank Data, 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different size. The bank's good performance with respect to small

business lending activities supports this conclusion. Examiners focused on lending activity to low- and moderate-income individuals and to businesses with GARs below \$1 million.

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among retail customers of different income levels. The bank’s lending performance with respect to low-income borrowers primarily supports this conclusion. In 2020, the bank exceeded the aggregate in lending to low-income borrowers and trailed the aggregate in lending moderate-income borrowers. The following table illustrates the dispersion of home mortgage loans by borrower income level within the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level							
Borrower Income Level	% of Families	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
Low							
2020	24.8	4.0	0.5	41	6.2	4,252	1.5
2021	24.8	--	--	33	5.4	4,427	1.1
Moderate							
2020	16.0	16.1	0.2	72	11.0	15,275	5.5
2021	16.0	--	--	72	11.8	12,685	3.0
Middle							
2020	18.7	22.7	0.3	129	19.6	27,956	10.0
2021	18.7	--	--	128	21.0	32,201	7.7
Upper							
2020	40.4	45.8	0.4	372	56.6	154,625	55.4
2021	40.4	--	--	334	54.8	127,857	30.6
Not Available							
2020	0.0	11.3	0.2	43	6.5	77,187	27.6
2021	0.0	--	--	42	6.9	240,772	57.6
Totals							
2020	100.0	100.0	0.3	657	100.0	279,295	100.0
2021	100.0	--	--	609	100.0	417,943	100.0
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The distribution of borrowers reflects good penetration among business customers of different size. In 2020 and 2021, a substantial portion of loans originated were to businesses where revenues were not known. This category represents the PPP loans originated in response to the COVID-19 Pandemic.

Examiners used loan size distribution as a proxy for the businesses served and the numbers reflect positively to smaller businesses. Consequently, a large concentration of these loans was originated to businesses with gross annual revenues less than \$1 million.

The following table shows the percentage of small business loans originated within the assessment area to businesses with GARs below and above \$1 million in 2020 and 2021.

Distribution of Small Business Loans by Gross Annual Revenue Category							
Business Revenue Level	% of Businesses	Aggregate Performance % of #	Market Share % of #	#	%	\$(000s)	%
<=\$1,000,000							
2020	86.4	36.4	0.2	90	7.9	22,976	14.8
2021	87.2	--	--	56	7.5	20,164	19.9
>\$1,000,000							
2020	5.7	--	--	38	3.4	17,742	11.5
2021	5.0	--	--	34	4.6	16,345	16.1
Revenue Not Available							
2020	7.9	--	--	1,005	88.7	114,042	73.7
2021	7.8	--	--	656	87.9	64,903	64.0
Total							
2020	100.0	100.0	0.9	1,133	100.0	154,760	100.0
2021	100.0	--	--	746	100.0	101,412	100.0
<i>Source: 2020 & 2021 D&B Data; Bank Data, 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Innovative or Flexible Lending Practices

Brookline Bank makes use of innovative and flexible lending practices in order to serve assessment area credit needs. The conclusions are supported by an increase of innovative and flexible loan products compared to the last examination.

For retail customers who are first time homebuyers, the bank offers a mortgage product with a reduced rate and waived processing fee. During the evaluation period, the bank originated 32 loans totaling approximately \$13.1 million. This is an increase from the previous examination where 10 loans totaling approximately \$3.5 million were originated.

For business customers, the Bank continues to offer flexible Small Business Administration (SBA) Express and 504 loans. The SBA Express Loan Program provides loans up to \$350,000 to small businesses with an accelerated approval process which results in a response to the application within 36 hours. The SBA guarantees up to 50 percent of these loans and requires no collateral on loans of \$25,000 or less. The 504 Loan Program provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization, and are made available

through Certified Development Companies (CDCs). As of the date of this Evaluation, the Bank made 22 loans between the two SBA programs, totaling approximately \$5.8 million.

Brookline Bank participated in the SBA's PPP for new and existing customers. The PPP provided low-cost, forgivable loans to qualifying small businesses to help cover expenses such as payroll costs, mortgage interest, rent, and utilities during periods of severe business disruption or temporary closure caused by the COVID-19 pandemic. The bank originated approximately 1,661 loans totaling \$178 million.

Community Development Loans

Brookline Bank is a leader in providing community development loans. As the bank was responsive to affordable housing, revitalization and stabilization, and economic development needs of the assessment area with respect to community development loans, Examiners considered additional activity in the broader statewide or regional area. During the evaluation period, the bank originated or renewed 45 community development loans totaling \$138 million overall. Of the 45 loans, 12 totaling \$39 million were originated in a broader statewide or regional area.

This is an increase from the last examination where the bank originated nine community development loans totaling \$88.8 million. The total dollar amount of community development loans originated during the evaluation period represents 2.4 percent of average total assets and 2.8 percent of average total loans as of March 31, 2022, which are higher ratios when compared to the last Evaluation.

Examiners compared the bank's community development activity to that of similarly situated institutions. Comparable institutions were selected based on asset size, geographic location, and lending focus. Brookline Bank's community development loan activity outperformed the comparable institutions who maintained a High Satisfactory in this component.

INVESTMENT TEST

Brookline Bank's Investment Test rating is High Satisfactory. The bank made a significant level of qualified investments during the evaluation period, particularly those that are not routinely provided by private investors, occasionally in a leadership position

Investment and Grant Activity

Brookline Bank's qualified investments during the evaluation period totaled \$20.8 million, which is 5.4 percent of its average total securities and 0.4 percent of its average total assets. The bank increased its qualified investments by number and dollar amount, which included a significant increase in the number of qualified grants and donations for this examination period.

During the previous evaluation, the bank's qualified investments totaled \$19.7 million, including \$18.7 million in both prior period and current equity investments, as well as, \$941,000 in qualified grants and donations.

Examiners compared the bank’s community investment activity to that of similarly situated institutions. Comparable institutions were selected based on asset size, geographic location, and lending focus. Brookline Bank’s community investment activity was comparable to institutions that also received a High Satisfactory on the investment test.

The following table shows the bank’s qualified investments, grants, and donations.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	16	18,668	0	0	0	0	0	0	16	18,668
2/10/2020-12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	1	1,000	0	0	0	0	0	0	1	1,000
YTD 2022	0	0	0	0	0	0	0	0	0	0
Subtotal	17	19,658	0	0	0	0	0	0	17	19,668
Qualified Grants & Donations	53	462	147	608	13	86	0	0	213	1,156
Total	70	20,120	147	608	13	86	0	0	230	20,824
<i>Source: Bank Data</i>										

The following are notable examples of qualified investments and donations.

Equity Investments

Prior Period Investments

- Kenmore Abbey Apartments:** The bank continues to hold an investment in a low- income housing tax credit (LIHTC) currently worth approximately \$305,260 for the rehabilitation and preservation of 198 affordable housing units in Boston. The units are restricted to elderly and disabled residents. 100 percent of the units are LIHTC units, with 90 percent targeted to households at or below 60 percent of AMI and the remaining 10 percent targeted to households at or below 30 percent of AMI. All the units are subsidized under a Section 8 HAP contract.
- Massachusetts Housing Investment Corporation (MHIC) Equity Fund XXII, XXIII, XXIV, and XXV:** The bank continues to hold investments in four MHIC equity funds. The funds are used as part of MHIC’s Housing Tax Credit program, which provides financing for affordable housing and community development projects that use federal LIHTCs or federal historic tax credits, or a combination of both. MHIC equity funds are used to finance new construction, rehabilitation of existing housing, and historic rehabilitation projects. MHIC is a nonprofit organization conceived by a consortium of banks to fill a critical gap in meeting the credit needs of affordable housing developers. The bank’s investments have a combined current value of \$2.7 million.

- **Lincoln Lofts:** The bank continues to hold in a LIHTC currently worth \$6.6 million. The investment is used to assist in the redevelopment of a mill building located in Lincoln, Rhode Island. The redevelopment will convert the mill building into 45 affordable housing units. Of the units, 10 are set aside for very low-income tenants earning less than 30 percent of AMI, and the remaining 35 units are restricted to tenants earning less than 60 percent of AMI. While located outside the bank's assessment area, this investment benefits the broader regional area's need for affordable housing, including the bank's assessment area.

Current Period Investments

- **Massachusetts Housing Investment Corporation (MHIC) Equity Fund XXVII:** The bank participated an equity offering offered by MHIC in 2021. The funds are used as part of MHIC's Housing Tax Credit program, which provides financing for affordable housing and community development projects that use federal LIHTCs or federal historic tax credits, or a combination of both. MHIC equity funds are used to finance new construction, rehabilitation of existing housing, and historic rehabilitation projects.

Qualified Grants and Donations

- **Allston Brighton CDC:** This non-profit community development corporation works to increase access to affordable housing in the Allston Brighton neighborhood of Boston. The organization specifically works with low- and moderate-income renters and first-time homebuyers. Allston Brighton CDC constructs, rehabilitates, and maintains affordable housing units, as well as provides financial literacy in the form of first-time homebuyer programs. Over the course of the examination period, the bank made two donations totaling \$21,200, which helped address the assessment area's need for affordable housing.
- **Bread of Life:** Bread of Life is a nonprofit, nondenominational faith-based organization serving the communities north of Boston with a mission to provide access to food to individuals and families in need. The organization provides free evening meals, an emergency food pantry, free clothing, grocery delivery for low-income seniors, and food delivery to homeless families. The bank made two donations totaling \$20,000 during the exam period, which helped provided a vital community service to low- and moderate-income families in the bank's assessment area.
- **Fenway CDC:** This non-profit community development corporation works to increase access to affordable housing in the Fenway neighborhood of Boston. The organization's primary mission is to develop and maintain affordable housing in the neighborhood, so the community's low- and moderate-income families can remain within the neighborhood. The organization also provides workforce development and food access programs. Over the course of the examination period, the bank made four donations, totaling \$32,000, which helped address the assessment area's need for affordable housing.
- **2Life Communities:** This organization provides low- and moderate-income seniors with affordable housing. 2Life Communities maintains five campuses across the bank's assessment

area. The campuses contain hundreds of housing units, with a vast majority set aside for seniors that meet HUD's low and extremely low-income criteria, or are set aside programs that benefit low-income individuals, including units restricted to those experiencing homelessness. Brookline Bank made six donations totaling \$180,000 during the examination period. Three of the bank's donations were part of the bank's annual commitment of \$50,000 to the organization. These funds are used to support capital costs of a new affordable housing development project in Brookline for seniors and to support the organization's other programs and services that benefit low- and moderate-income senior residents. These donations help provide affordable housing to low- and moderate-income seniors within the bank's assessment area.

Responsiveness to Credit and Community Development Needs

Brookline Bank exhibits good responsiveness to credit and community economic development needs. During the evaluation period, the bank made one new investment and maintained 16 prior period investments in the form of LIHTCs aimed at developing affordable housing in the bank's assessment area and a broader regional area. These investments are responsive to the critical need for affordable housing in the Greater Boston area, as identified by community contacts, examiner determinations, and affordable housing initiatives undertaken by state and local governments.

Community Development Initiatives

The institution occasionally uses innovative and complex investments to support community development initiatives. The bank used both grants and investments in LIHTCs to support community development needs, particularly regarding affordable housing.

SERVICE TEST

Brookline Bank's Service Test rating is Satisfactory. The bank's delivery systems are reasonably accessible to essentially all portions of its assessment area. To the extent changes have been made, 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. Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals. Lastly, the bank provides an adequate level of community development services.

Accessibility of Delivery Systems

Brookline Bank's service delivery systems are reasonably accessible to essentially all portions of the institutions assessment area. The following table shows the bank's branch structure.

Branch and ATM Distribution by Geography Income Level						
Tract Income Level	Census Tracts		Population		Branches	
	#	%	#	%	#	%
Low	95	13.3%	374,083	11.5%	2	6.7
Moderate	147	20.5%	674,787	20.7%	1	3.3
Middle	250	34.9%	1,196,558	36.8%	12	40.0
Upper	210	29.3%	1,000,128	30.7%	15	50.0
NA	14	2.0%	8,101	0.3%	0	0.0
Totals	716	100.0%	3,253,657	100.0%	30	100.0
<i>Source: 2015 ACS & Bank Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

As the table illustrates, the distribution of branches in low-and moderate-income areas is lower than the population and census tract income level of the assessment area. Areas of Boston, Chelsea, Revere, Lynn, Malden, Everett, Somerville, Cambridge and Lawrence have among the highest concentrations of the assessment area’s low- moderate-income census tracts. The limited branch presence in these areas contributes to the unfavorable demographic comparisons.

While there is limited branch presence in these communities, the bank has the ability to serve customers through its network of branches that are in close proximity to low and moderate-income areas.

Each branch offers at least one full-service ATM, with the Ipswich and Essex locations being the only two with at least one cash-only ATM. Nine of the bank’s branches also offer drive-up services. The bank closed a stand-alone ATM located in Gloucester in 2021, though it was not a full-service ATM. The bank continues to maintain two bank branded ATMs located inside Lawrence Memorial Hospital in Medford and the Melrose-Wakefield Hospital in Melrose.

Additionally, Brookline Bank’s alternative delivery systems help compensate for any lack of immediate access to its branches. Specifically, the bank provides online, mobile, and telephone banking which allows customers to pay bills, remote deposit, transfer funds, and view account balances 24/7 without needing access to the bank’s branch structure. The bank’s customer service center is also available Monday through Friday from 8:00 A.M. to 6:00 P.M., and Saturday from 9:00 A.M. to 2:00 P.M.

Changes in Branch Locations

To the extent changes have been made, the bank’s opening and closing of branches have not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. The bank acquired five branches from its merger with First Ipswich Bank, including its Gloucester branch, which is in a low-income census tract. During the examination period, the bank also closed a branch located in Burlington, which was in a middle-income census tract.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies or individuals. With the exception of its Boston-based branches, which operate Monday through Friday, the bank's branches are open from Monday to Saturday. Each branch location is open for at least 40 hours during the week.

Community Development Services

Brookline Bank provides adequate responsiveness to the needs and opportunities of the communities it serves, primarily through employee involvement on the boards of various community organizations and the provision of educational seminars. During the evaluation period, bank employees collectively devoted 738.5 services hours to qualified organizations. Employees devoted time to community development organizations supporting affordable housing, community services, economic development, first-time homebuyer seminars, and financial literacy. The following details notable instances of the bank's community development services.

A few examples of notable community development services provided by bank employees are listed below.

- **South Middlesex Opportunity Council (SMOC):** SMOC is a multi-service agency in the Metro West area of MA. The organization's mission is to improve the quality of life for low-income or disadvantaged individuals. SMOC offers programs for education, addiction and health, workforce development, financial assistance, and housing services. In 2020, 2021, and 2022, an employee of the bank served as a member of the organization's Board, Real Estate Committee, and its Audit and Finance Committee.
- **Families First:** This organization provides parenting education to young families in need of additional support. This education ranges from childcare to financial literacy. Brookline Bank has partnered with Families First to provide financial literacy education in the form of both one-on-one mentoring and class size workshops. The bank provides both the one-on-one sessions and class size workshops in both English and Spanish. Recipients of one-on-one mentoring are taught a range of financial literacy that covers credit building, planning for purchasing a home, and budgeting tips and tools. During the class size workshops that are offered, participants learn about Debt Management. Multiple bank employees served as one-on-one financial wellness mentors and presenters for the workshops.
- **Operation Able:** This workforce development organization provides training and support to low- and moderate-income individuals who are unemployed, underemployed, or going through a career transition. This includes providing occupational and computer skill training, job searching training and support, and career coaching and counseling. The organization is also a SNAP outreach partner, helping individuals in need apply for SNAP benefits. An Executive Vice President and a Senior Vice President from the bank both served on the organization's board in 2021 and continue to do so.

- **Waltham Alliance for Teaching, Community Organizing and Housing (WATCH):** WATCH, a CDC located in and serving Waltham, works towards a more just community by promoting and advancing affordable housing, providing adult education and leadership development, and empowering underrepresented residents through civic engagement. In 2020 and 2021, a bank employee conducted multiple First-Time Homebuyer seminars through the organization. This included transitioning the seminars to be virtual due to the pandemic. Over the two years, 92 individuals attended the seminars.

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

Division of Bank examiners reviewed the bank's 2020 and 2021 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment area reflected the assessment area's demographics.

According to the 2015 ACS Census Data, the assessment area contained a total population of 3,253,657 individuals of which 34.0 percent are minorities. The assessment area's minority population is 10.1 percent Black/African American, 10.1 percent Asian, 0.1 percent American Indian, 10.7 percent Hispanic or Latino, and 2.9 percent Other.

Examiner compared the bank's lending level to the aggregate for 2020. This comparison assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants. Refer to the following table for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	2020		2020 Aggregate Data	2021	
	#	%	%	#	%
American Indian/ Alaska Native	4	0.4	0.2	1	0.1
Asian	61	6.6	9.2	63	7.7
Black/ African American	15	1.6	3.4	17	2.1
Hawaiian/Pacific Islander	3	0.4	0.1	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	19	2.1	1.9	11	1.4
Total Racial Minority	102	11.1	14.9	92	11.3
White	583	63.5	61.4	516	63.4
Race Not Available	232	25.4	23.7	206	25.3
Total	917	100.0	100.0	814	100.0
ETHNICITY					
Hispanic or Latino	35	3.8	5.5	21	2.6
Joint (Hisp/Lat /Not Hisp/Lat)	14	1.5	1.2	11	1.4
Total Ethnic Minority	49	5.3	6.7	32	4.0
Not Hispanic or Latino	628	68.5	68.9	573	70.4
Ethnicity Not Available	240	26.2	24.4	209	25.6
Total	917	100.0	100.0	814	100.0

Source: HMDA Aggregate Data (year), HMDA LAR Data 2020 and 2021

In 2020, the bank received 917 HMDA-reportable loan applications from within its assessment area. Of these applications, 102 or 11.1 percent were received from racial minority applicants, of which 56 or 55 percent were originated. The aggregate received 14.9 percent from minority applicants and 62.0 percent were originated. For the same time period, the bank received 49 applications or 5.3 percent from ethnic groups of Hispanic origin within its assessment area, and 24 or 49 percent were originated versus the aggregate that received 6.7 percent from Hispanic applicants and 57.6 percent were originated.

In 2021, the bank received 814 HMDA-reportable loan applications from within its assessment area. Of these applications, 92 or 11.3 percent were received from racial minority applicants, of which 58 or 63 percent were originated. For the same time period, the bank received 32 applications or 4.0 percent from ethnic groups of Hispanic origin within its assessment area, of which 22 or 68.7 percent were originated.

Overall, this performance is considered reasonable. Examiners recognize the bank's efforts in place to reach all segments of the population and the additional fair lending controls in place to reduce fair lending risk.

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.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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

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

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

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

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

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

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

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

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

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

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

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

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

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

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

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

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

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

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 2 Harvard Street, Brookline, Massachusetts 02445."

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

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