

PUBLIC DISCLOSURE

September 9, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Brookline Bank
Certificate Number: 17798

2 Harvard St
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.

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INSTITUTION RATING

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

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

The Lending Test is rated High Satisfactory

- Lending levels reflect good responsiveness to assessment area credit needs.
- A high percentage of loans were made in the institution's assessment area.
- The geographic distribution of loans reflects adequate dispersion throughout the assessment area.
- The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes.
- The bank makes use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in originating community development loans.
- The bank has an adequate record relative to its fair lending policies and procedures.
- The bank's lending reflects a good record of preventing the loss of affordable housing.

The Investment Test is rated High Satisfactory

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

The Service Test is rated Satisfactory

- Delivery systems are reasonably accessible to all portions of the institution's assessment area.

- To the extent changes have been made, the institution's record of opening and closing branches has 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 business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals.
- The bank provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 16, 2022, to the current evaluation dated September 9, 2024. Examiners used Large Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include three performance tests: the Lending Test, Investment Test, and Service Test.

The assessment area consists mostly of towns in Norfolk, Suffolk, Middlesex, and Essex Counties, which are part of the Boston Metropolitan Statistical Area (MSA). Examiners used the 2020 ACS updated data for metropolitan area boundaries, census tracts and their income levels, and demographic information.

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

- Lending activity
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Innovative and/or flexible lending practices
- Community development loans
- Fair Lending program
- Loss of Affordable Housing

The Investment Test considered the following criteria.

- Number and dollar amount of qualified investments
- Responsiveness to credit and community development needs
- Innovativeness or complexity of qualified investments

The Service Test considered the following criteria.

- Accessibility of delivery systems
- Changes in branch locations
- Reasonableness of business hours and services
- Community development services

Loan Products Reviewed

Brookline Bank's major product lines are home mortgage and commercial loans, considering the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

Examiners reviewed home mortgage loans reported on the bank's 2022 and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank originated 669 HMDA-reportable loans totaling \$974.9 million in 2022 and 362 HMDA-reportable loans totaling \$142.1 million in 2023. Examiners compared bank lending in 2022 and 2023 to aggregate HMDA data for the relevant year. Examiners also compared bank lending to applicable demographic data

This evaluation considered all reported small business loan data on the CRA LARs for 2022 and 2023 to draw conclusions about small business lending performance. Brookline Bank originated 134 small business loans totaling \$42.9 million in 2022, and the bank originated 141 small business loans totaling \$33.8 million in 2023. Loan performance was compared to aggregate small business and demographic data as appropriate.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While the tables throughout this evaluation include both the number and dollar volume of loans, examiners emphasized bank performance by number of loans, as the number of loans better indicates the number of individuals served.

For the community development lending activity and the Investment and Service Tests, examiners drew conclusions based on data provided by bank management on community development loans, qualified investments, and retail and community development services since the prior CRA evaluation dated May 16, 2022.

DESCRIPTION OF INSTITUTION

Background

Brookline Bank is a state-chartered mutual savings bank headquartered in Brookline, Massachusetts. The bank is a wholly owned subsidiary of Brookline Bancorp, Inc. The institution received a Satisfactory rating during its previous Performance Evaluation, dated May 16, 2022, based on Large Institution Examination Procedures.

Operations

The bank's main branch is located in Brookline, Massachusetts. The bank operates 28 other full-service branches in its assessment area. All full service-branches have automated teller machines (ATMs) that take deposits. The bank also operates two stand-alone ATM locations.

Ability and Capacity

As of June 30, 2024, the bank's assets totaled \$6.4 billion, and loans totaled approximately \$5.6 billion. During the evaluation period, total assets increased by approximately 12.3 percent and total loans increased by approximately 21.7 percent.

Approximately 63.3 percent of the loans are either commercial and industrial loans or loans secured by nonfarm nonresidential properties, followed by residential loans at 31.6 percent.

The following table illustrates the current distribution of the bank's loan portfolio.

Loan Portfolio Distribution as of 6/30/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	171,139	3.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	724,842	13.0
Secured by Multifamily (5 or more) Residential Properties	872,435	15.6
Total Residential Loans	1,768,416	31.6
Secured by Nonfarm Nonresidential Properties	2,144,897	38.3
Commercial and Industrial Loans	1,396,427	25.0
Total Commercial Loans	3,541,324	63.3
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	48,606	0.9
Obligations of State and Political Subdivisions in the U.S.	46,139	0.8
Other Loans	311	0.0
Lease Financing Receivable (net of unearned income)	191,347	3.4
Less: Unearned Income	0	0.0
Total Loans	5,596,143	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 THE ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Brookline Bank has designated a single assessment area encompassing 82 cities and towns within Norfolk, Suffolk, Middlesex and Essex counties in Massachusetts. The following table is a list of cities and towns the bank has designated within its assessment area.

<u>Brookline Bank Assessment Area</u>			
<u>Norfolk County*</u>			
Avon	Braintree	Brookline	Canton
Dedham	Dover	Holbrook	Medfield
Millis	Milton	Needham	Norfolk
Norwood	Quincy	Randolph	Sharon
Stoughton	Walpole	Wellesley	Westwood
Weymouth			
<u>Suffolk County*</u>			
Boston	Chelsea	Revere	Winthrop
<u>Middlesex County</u>			
Acton	Arlington	Ashland	Bedford
Billerica	Burlington	Cambridge	Carlisle
Concord	Everett	Framingham	Lexington
Lincoln	Malden	Maynard	Medford
Melrose	Natick	Newton	North Reading
Reading	Sherborn	Somerville	Stoneham
Sudbury	Wakefield	Waltham	Watertown
Wayland	Weston	Wilmington	Winchester
Woburn			
<u>Essex County</u>			
Amesbury	Andover	Beverly	Boxford
Danvers	Essex	Gloucester	Haverhill
Ipswich	Lawrence	Lynn	Lynnfield
Marblehead	Methuen	Nahant	Newburyport
Peabody	Rockport	Rowley	Salem
Salisbury	Saugus	Swampscott	Topsfield
*Represents full county			

Economic and Demographic Data

The assessment area includes 809 census tracts. These tracts reflect the following income designations according to the 2020 ACS U.S. Census:

- 93 low-income tracts,
- 154 moderate-income tracts,
- 252 middle-income tracts, and
- 270 upper income tracts
- 40 N/A

The low-income census tracts are primarily located in Boston and Lawrence, and the moderate-income census tracts are primarily located in Boston, Everett, Lynn, and Revere.

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)	809	11.5	19.0	31.1	33.4	4.9
Population by Geography	3,427,410	11.1	19.6	32.6	35.1	1.5
Housing Units by Geography	1,372,561	10.5	19.7	33.6	34.9	1.4
Owner-Occupied Units by Geography	726,679	4.3	15.4	36.5	43.0	0.8
Occupied Rental Units by Geography	566,764	18.2	25.2	30.1	24.4	2.1
Vacant Units by Geography	79,118	12.1	19.1	31.7	34.9	2.1
Businesses by Geography	436,918	7.3	15.6	30.8	44.5	1.8
Farms by Geography	6,436	4.8	16.9	35.5	42.0	0.9
Family Distribution by Income Level	786,196	23.8	16.1	19.0	41.1	0.0
Household Distribution by Income Level	1,293,443	27.3	14.2	16.6	41.9	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$568,678
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Gross Rent			\$1,657
			Families Below Poverty Level			6.6%
Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income;						

There are approximately 1.4 million housing units in the area. Of these units, 52.9 percent are owner-occupied, 41.3 percent are occupied rental units, and 5.8 percent are vacant. The median housing value of \$568,678 based on ACS Data reflects a moderately priced area. Examiners also reviewed public HMDA data and noted that the average credit originated for 1-4 family purchase

loans was \$665,028 in 2022 and \$656,493 in 2023. This reflects a dramatic increase in home prices since 2020, and that prices and activity have plateaued in the last two years.

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%
Boston, MA Median Family Income (14454)				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
<i>Source: FFIEC</i>				

According to 2023 D&B data, there were 436,918 businesses in the assessment area. GARs for these businesses are below.

- 89.5 percent of businesses have GARs less than or equal to \$1.0 million,
- 4.0 percent of businesses have GARs greater than \$1.0 million, and
- 6.5 percent of businesses have unknown revenues.

Service industries represent the largest portion of businesses at 37.7 percent; followed by non-classifiable establishments (23.4 percent); finance, insurance, and real estate (12.9 percent); and retail trade (9.0 percent). In addition, 61.9 percent of area businesses have four or fewer employees, and 92.4 percent operate from a single location.

Competition

Brookline Bank operates in a competitive market for banking services. According to 2023 Deposit Market Share data, there were 166 financial institutions operating 1,222 branches in the assessment area. Brookline Bank ranked 10th with a deposit market share of 1.0 percent. The institutions ahead of Brookline Bank included the large national retail institutions (Bank of America and Citizens Bank NA) with a combined deposit market share of 31.1 percent.

The bank operates in a highly competitive area for mortgage loans. In 2023, 617 lenders reported 49,779 originated or purchased home mortgage loans. Brookline Bank ranked 33rd with a 0.6 percent market share. The three most prominent mortgage lenders (JP Morgan Chase Bank NA, Citibank NA, and Bank of America NA) account for 24.0 percent of the total market share. The mortgage volume in the market decreased substantially since 2022, when 680 lenders originated or purchased 129,743 loans. The decrease in originations is attributed to a rate increase in 2023 and a lack of housing stock.

The bank also operates in a highly competitive area for small business loans. Based on 2022 market share data, 204 lenders reported 110,436 small business loans. Brookline Bank ranked 45th with 0.1 percent market share. The leading financial institutions (American Express Bank, Bank of America, JP Morgan Chase Bank NA) were large credit card companies and comprised 54.3 percent of the market.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information assists examiners in determining whether local financial institutions are responsive to the needs of the assessment area. Examiners contacted two representatives from community organizations that serve municipalities in the assessment area, specifically Boston and Lawrence.

The first contact discussed the need for more affordable housing, credit counseling, financial literacy, and alternative mortgage loan products targeted to low- and moderate-income families within the city. As part of the discussion on affordable housing, the contact identified that a large portion of homes that are on the market are typically in need of significant rehabilitation, which often prices out low- and moderate-income families, who often can't afford the cost of repairs. The contact stated that there is an opportunity for financial institutions to provide financial educational opportunities in the form of first-time homebuyer seminars, for institutions to become involved in state and local first-time homebuyer programs, and products and programs to assist with home rehabilitation.

The second contact was focused on economic development of small businesses. The contact identifies access to credit and awareness of small business resources as the greatest need. The contact mentioned that financial institutions can continue to develop financial literacy opportunities for small businesses and couple such education with financing.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, and demographic and economic data, examiners determined that affordable housing represents the primary community development need of the assessment area. The need exists due to a lack of affordable housing units for those looking to rent or purchase within the assessment area and high home prices compared to the area's median family income.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Brookline Bank demonstrated High Satisfactory performance under the Lending Test. The following sections summarize the bank's overall performance under each criterion.

Lending Activity

Lending levels reflect excellent responsiveness to the assessment area credit needs. Brookline Bank originated 562 home mortgage loans totaling \$704.9 million in the assessment area in 2022. The number of home mortgage loans decreased in 2023 to 310 loans totaling \$124.1 million. The decrease in number and dollar amount is attributed to an increasing rate environment and lack of available housing stock in the market area.

Brookline Bank originated 123 small business loans in 2022 totaling \$38.3 million. Lending activity in 2023 was comparable with 127 small business loans by number, while the total dollar amount decreased to \$30.3 million.

Brookline Bank's home mortgage market share rank represents the 94th percentile among all lenders, and the small business market share rank represents the 78th percentile. The bank's home mortgage performance is comparable to the deposit market share percentile (93rd). Additionally, the bank's loan-to-deposit ratio for 2022 and 2023 exceeds 120 percent. This information clearly supports excellent performance in lending activity compared to the bank's resources and capabilities.

Assessment Area Concentration

The bank made a high percentage of home mortgage and small business loans, by number and dollar volume, within its assessment area. The following table illustrates the bank's lending 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				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000)	%	\$(000)	%	
Home Mortgage										
2022	562	84.0	107	16.0	669	704,974	72.3	269,882	27.7	974,856
2023	310	85.6	52	14.4	362	124,116	87.3	18,017	12.7	142,133
Subtotal	872	84.6	159	15.4	1,031	829,090	74.2	287,899	25.8	1,116,989
Small Business										
2022	123	91.8	11	8.2	134	38,269	89.1	4,668	10.9	42,937
2023	127	90.1	14	9.9	141	30,261	89.4	3,582	10.6	33,843
Subtotal	250	90.9	25	9.1	275	68,530	89.3	8,250	10.7	76,780
Total	1,122	85.9	184	14.1	1,306	897,620	75.2	296,149	24.8	1,193,769
Source: Bank Data										

Geographic Distribution

The geographic distribution of loans reflects adequate dispersion throughout the assessment area, particularly to low-or moderate-income geographies in the assessment area. The bank's performance in both home mortgage and small business lending supports this conclusion. Examiners focused on the number and percentage of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of loans reflects adequate dispersion throughout the assessment area, particularly to low-or moderate-income geographies in the assessment area. Lending in low-income census tracts was below the percentage of owner-occupied units in the area and aggregate performance in 2022. The bank originated fewer loans in 2023, but the percentage of lending in low-income tracts improved slightly. Performance in 2023 remained below aggregate performance and the demographic.

The bank's performance in moderate-income census tracts was below aggregate performance and the demographic of owner-occupied housing for both 2022 and 2023. The bank's 2023 performance improved by percentage over 2022.

The bank has recognized a challenge in lending in low- and moderate-income census tracts and has implemented strategic efforts to improve their performance in these areas.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.3	5.8	15	2.7	22,835	3.2
2023	4.3	6.1	9	2.9	3,931	3.2
Moderate						
2022	15.4	16.2	55	9.8	244,682	34.7
2023	15.4	15.2	34	11.0	12,778	10.3
Middle						
2022	36.5	35.0	151	26.9	52,848	7.5
2023	36.5	32.4	92	29.7	24,793	20.0
Upper						
2022	43.0	42.1	335	59.6	278,509	39.5
2023	43.0	45.0	172	55.5	81,639	65.8
Not Available						
2022	0.8	0.9	6	1.1	106,100	15.1
2023	0.8	1.3	3	1.0	975	0.8
Total						
2022	100.0	100.0	562	100.0	704,974	100.0
2023	100.0	100.0	310	100.0	124,116	100.0
<i>Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data</i>						

Small Business Loans

The geographic distribution of small business loans reflects good dispersion throughout the assessment area. The bank's performance in low-income census tracts was below aggregate performance and the demographic of businesses. This was consistent across 2022 and 2023.

The bank's lending was above the percentage of businesses and aggregate performance in moderate-income tracts in 2022. Performance remained above the demographic comparator in 2023.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	7.3	7.3	3	2.4	1,015	2.7
2023	7.3	--	4	3.2	2,063	6.8
Moderate						
2022	15.6	17.3	30	24.4	10,751	28.1
2023	15.6	--	24	18.9	7,060	23.3
Middle						
2022	31.0	33.0	40	32.5	11,811	30.9
2023	30.8	--	53	41.7	11,057	36.5
Upper						
2022	44.3	40.7	47	38.2	13,877	36.3
2023	44.5	--	44	34.6	9,287	30.7
Not Available						
2022	1.8	1.7	3	2.4	815	2.1
2023	1.8	--	2	1.6	794	2.6
Total						
2022	100.0	100.0	123	100.0	38,269	100.0
2023	100.0	--	127	100.0	30,261	100.0
Source: 2022 & 2023 D&B Data; Bank Data, 2022 CRA Aggregate Data, "--" data not available.						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and businesses of different sizes. This is supported by the bank's good performance of lending to low- and moderate-income borrowers and small businesses.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, reflects good penetration. The bank's 2022 lending to low-income borrowers was above aggregate performance. In 2023, the bank's lending to low-income borrowers improved by percentage, and doubled aggregate lending levels. The bank's lending to moderate-income borrowers in 2022 was below aggregate lending performance and the demographic comparator. The bank's performance improved in 2023 among moderate-income borrowers above the aggregate lending performance and comparable to the demographic.

In both 2022 and 2023, the aggregate performance of all lenders, including Brookline Bank, was significantly below the percentage of families categorized as low-income with an annual income of less than \$73,100. Whereas the average loan amount originated for a 1 to 4- family residential purchase in the assessment area \$665,028 in 2022 and \$656,493 in 2023. This data, coupled with around 6.6 percent of families in the assessment area falling below the poverty line, suggests a large percentage of low-income families would not meet the standards of qualification to afford to repay the average loan amount. Moderate-income families earning between \$73,000 and \$116,000 may be able to afford a home in the area, which may explain why the bank and aggregate performance consistently exceeds the demographic of moderate-income families.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	23.8	6.6	38	6.8	5,299	0.8
2023	23.8	4.7	29	9.4	3,497	2.8
Moderate						
2022	16.1	17.0	81	14.4	13,941	2.0
2023	16.1	13.0	49	15.8	7,663	6.2
Middle						
2022	19.0	21.1	133	23.7	34,850	4.9
2023	19.0	18.8	73	23.5	17,857	14.4
Upper						
2022	41.1	41.9	274	48.8	111,728	15.8
2023	41.1	37.0	145	46.8	62,705	50.5
Not Available						
2022	0.0	13.5	36	6.4	539,156	76.5
2023	0.0	26.5	14	4.5	32,394	26.1
Total						
2022	100.0	100.0	562	100.0	704,974	100.0
2023	100.0	100.0	310	100.0	124,116	100.0
<i>Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data</i>						

Small Business Loans

The distribution of small business loans reflects adequate distribution of credit to small businesses. The bank originated 47.2 percent of all 2022 small business loans to businesses with Gross Annual Revenues (GARs) of \$1 million and below. This performance is comparable to aggregate performance and below demographic percentage of businesses in the same revenue category in 2022.

The bank's 2023 performance improved over 2022. The bank's percentage of lending to businesses with gross annual revenues of \$1 million or less was approximately 55.9 percent. This performance is below the 89.5 percent of businesses in the assessment area that fall in the same revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	88.4	47.8	58	47.2	18,714	48.9
2023	89.5	--	71	55.9	15,591	51.5
>\$1,000,000						
2022	4.4	--	43	35.0	14,964	39.1
2023	4.0	--	45	35.4	13,687	45.2
Revenue Not Available						
2022	7.2	--	22	17.9	4,591	12.0
2023	6.6	--	11	8.7	983	3.2
Total						
2022	100.0	100.0	123	100.0	38,269	100.0
2023	100.0	--	127	100.0	30,261	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data, 2022 CRA Aggregate Data,</i>						

Innovative or Flexible Lending Practices

The bank makes use of flexible and innovative lending products that serve the needs of the assessment area. The bank originated 79 loans totaling approximately \$18.4 million under these programs. The bank has developed its own First Time Homebuyer and Small Business loan programs to benefit low- and moderate-income individuals and small startup businesses. These programs maintain flexible underwriting standards. The bank also uses programs offered by the Small Business Administration (SBA), that guarantees financing to expand capital access.

The following table details the bank's activities under its flexible lending programs.

Flexible Lending Products		
Product	Total	
	#	\$ (000)
First Time Homebuyer Loan	20	8,903
SBA 7a	1	500
SBA Express	48	6,547
SBA 504	8	2,373
Small Business Loan	2	106
Total Innovative/Flexible	79	18,429

Community Development Loans

Brookline Bank is a leader in providing community development loans in the assessment area. The bank originated 22 community development loans totaling \$203.3 million that met the needs of affordable housing, economic development, and revitalization and stabilization. This represents a 47.1 percent increase since the previous evaluation, and is greater than similarly situated institutions. The bank's community development lending during the evaluation period represents 3.7 percent of average net loans during the evaluation period and 3.3 percent of average assets during the evaluation period.

The bank primarily provided credit to support affordable housing for low- and moderate-income residents and support for the revitalization of low- and moderate-income areas. The focus on affordable housing reflects responsiveness to needs identified by the community contact. The bank was the lead lender and coordinator in several large community development projects, coordinating participant lenders to maximize the financial impact. While the bank's participation amount was qualified quantitatively, the qualitative impact of such efforts cements the bank's position as a leading community development lender among institutions of this size. Examiners included community development loans impacting the broader regional area in this analysis, given the bank's responsiveness in the assessment area.

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

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
5/16/2022-12/31/2022	3	40,232	1	12,000	0	0	2	55,237	6	107,469
2023	5	24,129	1	45,000	1	2,000	3	13,160	10	84,289
YTD 2024	3	5,440	0	0	2	4,100	1	2,000	6	11,540
Total	11	69,801	2	57,000	3	6,100	6	70,397	22	203,298

Source: Bank Data

The following are examples of the bank's qualified community development loans.

- The bank purchased a \$126.3 million bond in December 2022. The proceeds were used to construct a 250-unit residential property in Brookline MA. The development includes 50 units reserved for affordable housing. The loan qualifies for \$25.3 million in community development credit based on the pro rata affordable share. This loan qualifies for community development as it supports affordable housing for low- or moderate-income residents.
- The bank was a lead lender in a \$100.2 million loan to a mixed-use multifamily project in Everett MA in 2022. The loan funds renovate a moderate-income area that is part of a Qualified Opportunity Zone. The project supports the goals of the opportunity zone and will attract residents to the area. The bank exhibited significant leadership in completing this deal and gathering five participant banks to secure the financing. The bank's qualified

community development credit at closing totals \$40.2 million. This loan qualifies for community development as it supports revitalization and stabilization of a moderate-income census tract.

- The bank originated a \$9.4 million loan for a project in Orange CT in 2023. The loan supports the construction of a 46-unit development, 36 units of which are reserved for individuals making less than 80 percent of the area median income. This loan was coupled with the bank's investment efforts, reflecting the complexity and innovativeness of the bank's financing efforts. While outside of the assessment area, this loan supports the broader regional area. This loan qualifies for community development as it supports affordable housing for low- or moderate-income residents.

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. Examiners conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, the bank has an adequate record relative to fair lending policies and procedures

Minority Application Flow

The bank's HMDA LARs for 2022 and 2023 were reviewed to determine if the bank's application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to 2020 ACS U.S. Census data, the bank's assessment area contained a total population of 3,427,410 individuals of which 38.6 percent are minorities. This illustrates an increase of 4.6 percent in total minorities since the 2015 ACS U.S. Census data. The assessment area's minority and ethnic population is 14.4 percent Hispanic or Latino, 10.4 percent Asian, 8.6 percent Black/African American, 0.3 percent American Indian or Alaskan Native and 17.3 percent other ethnicities.

The bank's level of applications was compared with that of aggregate performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. The table below illustrates the bank's minority application flow as well as that of the aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	2022		2022 Aggregate Data	2023		2023 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	5	0.6	0.3	4	0.8	0.3
Asian	49	6.2	10.0	42	8.2	9.6
Black/ African American	23	2.9	5.4	9	1.8	5.3
Hawaiian/Pacific Islander	1	0.1	0.2	1	0.2	0.2
2 or more Minority	0	0.0	0.2	2	0.4	0.2
Joint Race (White/Minority)	16	2.0	2.1	7	1.4	2.0
Total Racial Minority	94	11.8	18.2	65	12.7	17.6
White	533	66.9	56.0	356	69.7	49.5
Race Not Available	170	21.3	25.8	90	17.6	32.9
Total	797	100.0	100.0	511	100.0	100.0
ETHNICITY						
Hispanic or Latino	30	3.8	8.0	30	3.8	7.6
Joint (Hisp/Lat /Not Hisp/Lat)	10	1.3	1.5	10	1.3	1.5
Total Ethnic Minority	40	5.0	9.5	40	5.0	9.1
Not Hispanic or Latino	586	73.5	65.9	586	73.5	59.0
Ethnicity Not Available	171	21.5	24.6	171	21.5	31.8
Total	797	100.0	100.0	797	100.0	100.0
<i>Source: ACS Census 2015, HMDA Aggregate Data 2020 and 2021, HMDA LAR Data 2022 and 2023</i>						

In 2022, the bank received 797 home mortgage loan applications from within its assessment area. Of these applications 94, or 11.8 percent, were received from racial minority applicants. The aggregate performance was 18.2 percent of applications from racial minority consumers. For the same period, the bank received 40 applications, or 5.0 percent, from ethnic groups of Hispanic origin and was compared with the aggregate performance of 9.5 percent.

In 2023, the bank received 511 home mortgage loan applications from within its assessment area. Of these applications, 65 or 12.7 percent, were received from racial minority applicants. The aggregate performance was 17.6 percent of applications from racial minority applicants. For the same period, the bank also received 24 applications, or 4.7 percent, from ethnic groups of Hispanic origin and was compared with the aggregate performance of 9.1 percent.

Brookline Bank's 2022 and 2023 performance from racial and ethnic minority applicants was below aggregate for both racial and ethnic minority applicants. Bank management has made significant efforts to improve this performance. Initiatives include outreach campaigns, targeted marketing in majority-minority census tracts, and branch and staffing strategies to address the needs of the assessment area, including minority populations. Considering the demographics composition of the assessment area and comparisons to aggregate data, the bank's minority application flow is adequate.

Loss of Affordable Housing

The Division of Banks' regulation 209 CMR 46.22(2)(g) requires that the evaluation of the lending performance of a large institution include a review of its efforts to forestall the loss of affordable

housing. The Division reviews the institution's loans to ensure that there is no undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units.

The bank's development of and participation in flexible lending programs and community development lending reflect strong performance for this criterion. In addition, the bank's investment initiatives reflect a commitment to helping individuals stay in their homes.

INVESTMENT TEST

The bank demonstrated "High Satisfactory" performance under the Investment Test. The bank has a significant level of qualified community development investments, grants, and donations, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The Investment Test evaluates an institution's record of helping to meet credit needs through qualified investments that benefit the assessment area or a broader statewide or regional area that includes the bank's assessment area. A qualified investment is defined as a lawful investment, deposit, membership share, or grant that has a primary purpose of community development.

Investment and Grant Activity

Brookline Bank made a significant level of qualified investments. During the evaluation period, qualified investments, grants and donations totaled \$28.2 million. The qualified investments and donations increased approximately 35.6 percent since the last evaluation period when qualified investments totaled \$20.8 million. The bank also increased the amount of donations by about 25 percent, to approximately \$1.5 million. The bank's investment activity represents 0.5 percent of the bank's average assets and approximately 8.5 percent of average investments.

The following table reflects the bank's Investment Test activity.

Activity Year	Qualified Investments									
	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	14	13,753	0	0	0	0	0	0	14	13,753
5/16/2022-12/31/2022	1	1,000	0	0	0	0	0	0	1	1,000
2023	1	9,936	0	0	0	0	0	0	1	9,936
YTD 2024	1	2,000	0	0	0	0	0	0	1	2,000
Subtotal	17	26,689	0	0	0	0	0	0	17	26,689
Qualified Grants & Donations	52	396	220	996	3	81	3	6	278	1,479
Total	69	27,085	220	996	3	81	3	6	295	28,168
<i>Source: Bank Records</i>										

Equity and Debt Security Investments

The bank has \$26.7 million in qualified equity investments. All equity investments are Low-Income Housing Tax Credits (LIHTC), vehicles designed subsidize the acquisition and construction

of affordable housing throughout the country. Fourteen of these investments are prior-period investments, the current book value of which totals \$13.8. The bank also purchased three additional LIHTC during the evaluation period totaling \$12.9 million. The following are notable examples of the bank's qualified equity investments.

Prior Period

- ***Kenmore Abbey Apartments*** – The bank continues to hold an investment in LIHTC with a current book value of \$45,732 for a property located in Boston MA. All units are subsidized by Section 8 housing assistance and reserved for low-income families. The activity qualifies for community development by supporting affordable housing for low- and moderate-income residents.
- ***Lincoln Lofts*** – The bank continues to hold an investment in LIHTC with a current book value of \$5.0 million for a property located in Lincoln RI. While located outside of the assessment area, the investment benefits the broader regional area. The investment funds the redevelopment of a mill building into 45 units for individuals making 60 percent or less of the area median income. The activity qualifies for community development by supporting affordable housing for low- and moderate-income residents.

Current Period

- ***Lascana Homes of Orange LP*** – The bank purchased LIHTC for \$9.9 million for a property located in Orange CT in 2023. While located outside of the assessment area, the investment benefits the broader regional area. The project is comprised of 46 units, 36 of which are income-restricted to low- and moderate-income individuals. The activity qualifies for community development by supporting affordable housing for low- and moderate-income residents.
- ***Massachusetts Housing Investment Corporation Equity Funds*** – The bank participated in two new equity offerings of LIHTC during the evaluation period. The bank's investments totaled \$3.0 million. The funds are used as part of a Housing Tax Credit program, which provides financing for affordable housing projects in Massachusetts and the broader regional area. The activity qualifies for community development by supporting affordable housing for low- and moderate-income residents.

Charitable Contributions

The bank made 278 qualified donations totaling approximately \$1.5 million during the evaluation period. The majority of donations benefited low- and moderate-income individuals through Community Services. The following are notable examples of examples of qualified donations that impacted the assessment area and broader regional area.

- ***2Life Communities*** – The aim of this organization is to provide affordable housing in Boston, Brookline, Newton, and other nearby municipalities. The bank provided a donation

to this organization in support of an affordable housing project in Boston MA in 2023. This donation qualifies for community development by supporting affordable housing for low- and moderate-income residents.

- ***Boston Main Streets Foundation (BMSF)*** – The bank provided two donations to Boston Main Streets; a network of organizations focused on the revitalization healthy commercial districts. The focus of the donations is on three districts in Boston; Uphams Corner, Grove Hall, and Fields Corner. These areas correlate to low- and moderate-income census tracts and majority-minority census tracts. The aim is to support local businesses in these areas, and couples financial support with technical assistance and small business workshops. The bank’s activity with BMSF qualifies as a community development donation supporting economic development for small businesses.
- ***South Middlesex Opportunity Council (SMOC)*** – The bank provided two donations to this organization during the evaluation period. The aim of SMOC is to combat poverty and provide social services for low- and moderate-income individuals. Services include housing, childcare, and adult education. This donation qualified for community development by supporting community services for low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs. The bank’s equity investments are responsive to the need for affordable housing identified by a community contact. The bank’s donations reflect also focus on meeting essential community needs. In particular, the bank’s donation to Boston Main Streets is responsive to a need for small business support identified by a community contact.

Community Development Initiatives

Brookline Bank makes significant use of innovative and complex investments to support community development initiatives. The bank’s new equity investments are Low-Income Housing Tax Credits, which are complex initiatives not routinely provided by other similarly situated banks.

SERVICE TEST

The bank’s overall Service Test performance is rated High Satisfactory. The bank’s adequate performance with regard to retail services and community development services support this conclusion. The following sections discuss the bank’s performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to all portions of the bank’s assessment area. The bank has 29 full-service branches within the assessment area. All the bank’s branches offer ATM services, and nine branches offer drive-through services.

The following table illustrates the branch and ATM distribution by tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	93	11.5	381,108	11.1	0	0.0	0	0.0
Moderate	154	19.0	673,312	19.6	4	13.8	6	16.2
Middle	252	31.2	1,118,620	32.6	7	24.1	9	24.3
Upper	270	33.4	1,203,234	35.1	17	58.6	21	56.8
Not Available	40	4.9	51,136	1.5	1	3.4	1	2.7
Total	809	100.0	3,427,410	100.0	29	100.0	37	100.0
<i>Source: 2020 ACS</i>								

As the table illustrates, the bank's percentage of branches in low- and moderate-income census tracts is below that of the percentage of population residing in these tracts and that of the total percentage of low- and moderate-income census tracts in the assessment area. While there are no branches in low-income census tracts and the proportion of branches is below the percentage of moderate-income census tracts, the branch locations are in a reasonable proximity to the majority of these areas; all LMI tracts in Cambridge, Boston, Malden and Everett are located in a three-mile radius of a branch location.

In addition to the bank's branches and ATMs, the bank offers alternative delivery systems which expand retail banking service access to all its customers. The bank offers online and mobile banking to all its customers. Customers can manage their finances 24 hours a day online or on their mobile device. Mobile check deposits, bill pay, and Zelle digital payments are available for consumers and businesses to meet their essential retail service needs.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank has opened no new branches since the previous evaluation.

The bank has closed two branches in Newburyport and Newton respectively. The bank conducted a CRA analysis to ensure the availability of retail services to low- and moderate-income areas was not adversely affected.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. All retail branches offer the same loan and deposit products and services.

The bank maintains similar hours at most of their locations. Full-service branches maintain hours from 8:30 am to 4:00 pm during the week, with extended hours on Thursday and Friday until 5:00 pm, and Saturday hours from 8:30 am to 12:00 pm.

Community Development Services

The bank provided an adequate level of community development services. The bank provided 927 hours of community development services to approximately 57 community development organizations. The following table summarizes the bank's community development service hours by year and purpose.

Community Development Service Hours					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
5/16/2022-12/31/2022	9	327	39	0	375
2023	13	313	153	0	479
2024 YTD	15	45	13	0	73
Total	37	685	205	0	927
<i>Source: Bank Data</i>					

The following are notable examples of community development services provided by the bank.

- ***Massachusetts Growth Capital*** – The aim of this organization is to provide financing for small businesses and develop the state economy. Financing includes small business loans and special technical assistance grants. A Business Banking Officer of Brookline Bank served as a grant reviewer for this organization, lending their expertise to the technical assistance programs. This activity qualifies for community development by supporting economic development of small businesses.
- ***North Shore Community Development*** – This organization focuses its efforts on affordable housing and other community programming. An Assistant Vice President of Business Lending of the bank acted as Treasurer on the Board of this organization. This activity qualifies for community development by supporting affordable housing for low- and moderate-income residents.
- ***Jeremiah Burke Reality Fair*** – The Dorchester-based high school is in a low-income area and primarily serves students in the area. The Reality Fair event is designed to help students understand basic finances and prepare for the future. Two employees participated in this event, using their technical expertise to help students understand credit and budgeting. This activity qualifies for community development by supporting a community service for low- and moderate-income individuals.
- ***Small Business Main Streets*** – The bank has developed an outreach program for small businesses in the Boston area. Bank staff coordinates with local community organizations in

Roxbury and Dorchester, and provides essential financial literacy training for small businesses. Topics include business continuity, succession planning, and credit access. The programs also include counseling and mentoring for small and startup businesses. This activity is particularly responsive as it was recognized as a need by a community contact. The bank's service qualifies for community development by providing technical assistance for small businesses.

- ***Interest on Lawyers Trust Accounts (IOLTA)*** - The bank participated in the program during the evaluation period as a Leadership Institution. Interest earned on IOLTA accounts funds and supports programs that provide civil legal services to low- and moderate-income residents. Leadership Institutions provide exceptional support by remitting interest at a higher rate than required for IOLTA eligibility. The bank's IOLTA program generated over \$1 million during the evaluation period.

LARGE INSTITUTION PERFORMANCE CRITERIA

Lending Test

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

- 1) The number and amount of the institution's home mortgage, small business, small farm, and consumer loans, if applicable, in the institution's assessment area;
- 2) The geographic distribution of the institution's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the institution's lending in the institution's assessment area;
 - ii. The dispersion of lending in the institution's assessment areas; and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the institution's assessment area;
- 3) The distribution, particularly in the institution's assessment area, of the institution'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 institution's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The institution'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 through qualified investments that benefit its assessment area or a broader statewide or regional area that includes the institution's assessment area. Activities considered under the Lending or Service Test may not be considered under the investment test. The institution'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 institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

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

- 1) The current distribution of the institution's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the institution's branches, the institution'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 institution, 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 institution's community development services are evaluated pursuant to the following criteria:

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

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, requires 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 MA, 02445"

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

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

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

GLOSSARY

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

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

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

Assessment Area: A **geographic area or field of membership** delineated by the credit union under the requirements of the Community Reinvestment Act.

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

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

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

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

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

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.

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.

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

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

Median Income: 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.

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.

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

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

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

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

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.