

PUBLIC DISCLOSURE

February 8, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Canton Co-operative Bank
Certificate Number: 26450

671 Washington Street
Canton, MA 02021

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

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

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INSTITUTION RATING

This document is an evaluation of the CRA performance of **Canton Co-operative Bank (bank)** prepared by the Division, the institution's supervisory agency as of **February 8, 2021**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

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

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area needs.
- The bank originated a majority of its home mortgage loans by number and dollar volume, within its assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels.
- The geographic distribution of loans reflects poor dispersion throughout the assessment area.
- The bank did not receive any CRA related complaints during the evaluation period.
- Fair Lending policies and procedures are adequate.

SCOPE OF EVALUATION

General Information

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

This evaluation covers the period of January 1, 2018 to the current evaluation period of February 8, 2021. Small Institution CRA procedures were used for the evaluation. The following criteria were used in the evaluation: Loan-to-Deposit Ratio, Assessment Area Concentration, Borrower Profile, Geographic Distribution, and Response to CRA-related complaints.

Activities Reviewed

Examiner's evaluated the bank's home mortgage lending performance from January 1, 2018 to December 31, 2019. Loan data for 2018 and 2019 was obtained from the Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for the respective periods. The bank reported 36 home mortgage loans totaling \$12.9 million in 2018 and 19 loans totaling \$6.2 million in 2019. The

bank's home mortgage lending was compared to the 2018 and 2019 aggregate data and demographic data.

Demographic information referenced in this evaluation was obtained using the 2015 American Community Survey (ACS) data. Financial data about the bank came from the bank's December 31, 2020 Report of Income and Condition (Call Report). Although the total dollar amounts of loans are discussed, the evaluation focuses on the bank's lending performance by the number of loans originated during the review period.

DESCRIPTION OF INSTITUTION

Background

Canton Co-operative Bank is a mutual cooperative bank originally chartered by the Commonwealth of Massachusetts in 1891. The bank has one wholly-owned subsidiary, CCB Securities Corporation whose purpose is to acquire, sell and hold investment securities for preferential state tax treatment.

Canton Co-operative Bank received a Satisfactory rating from the Massachusetts Division of Banks during its prior evaluation using the FFIEC Small Institution Examination Procedures.

Operations

The bank operates from its main location at 671 Washington Street located in a middle-income census tract. The bank did not open, nor close any branches during the review period.

The bank offers both personal and business accounts. The bank offers checking accounts, savings accounts, Money Markets, Certificates of Deposits, Individual Retirement Accounts, and personal credit cards. Available to business customers are checking accounts, savings accounts, payroll and merchant services, and business credit cards. Other services include online banking with bill pay, Mobile Wallet, Mobile Deposit, PopMoney and TouchBanking Mobile App. In addition to deposit accounts, bank customers can apply for home mortgage loans and home construction loans, home equity loans and lines of credit, home improvement loans, installment loans, time or demand loans, overdraft protection, automobile, motorcycle and recreational vehicle loans. Business lending includes commercial real estate loans and lines of credit.

Ability and Capacity

As of December 31, 2020, the bank's assets totaled \$139.3 million and deposits totaled \$116.3 million. The loan portfolio consisted of \$80.5 million in total loans. During the evaluation period, total assets increased by 32.7 percent, and total loans increased by 48.0 percent.

The bank is primarily a residential mortgage lender by dollar volume. Loans secured by first liens and junior liens on 1-4 family residential properties account for 63.9 percent of total loans.

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

Loan Portfolio Distribution as of 12/30/2020		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	12,756	15.9
Secured by Farmland	2,523	3.1
Secured by 1-4 Family Residential Properties	51,445	63.9
Secured by Multifamily (5 or more) Residential Properties	4,038	5.0
Secured by Nonfarm Nonresidential Properties	6,448	8.0
Total Real Estate Loans	77,210	95.9
Commercial and Industrial Loans	3,272	4.1
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	21	0.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	80,503	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Canton Co-operative Bank has designated its assessment area to include all of Norfolk County which includes the communities of Avon, Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Franklin, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth and Wrentham which are part of the Boston, MA MD. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The assessment area includes 130 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 1 low-income tracts,
- 12 moderate-income tracts,
- 49 middle-income tracts, and
- 68 upper income tracts.

The low- and moderate-income census tracts are primarily located in Braintree (1), Holbrook (1), Quincy (7), Randolph (2), Stoughton (1), and Weymouth (1). There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas within the bank’s assessment area. However, there are several opportunity zones. Opportunity Zones are areas of economic need approved by the U.S. Department of Treasury. Within the bank’s assessment area, there are five census tracts in designated opportunity zones located in Quincy (2), Randolph (2), and Weymouth (1).

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)	130	0.8	9.2	37.7	52.3	0.0
Population by Geography	687,721	0.4	8.8	36.5	54.2	0.0
Housing Units by Geography	272,397	0.5	9.8	38.5	51.2	0.0
Owner-Occupied Units by Geography	178,492	0.2	7.0	35.8	57.0	0.0
Occupied Rental Units by Geography	81,053	1.2	15.7	44.0	39.1	0.0
Vacant Units by Geography	12,852	0.1	11.4	40.7	47.7	0.0
Businesses by Geography	54,283	0.1	7.5	34.0	58.3	0.0
Farms by Geography	1,054	0.1	5.5	30.1	64.3	0.0
Family Distribution by Income Level	170,875	15.2	13.5	19.0	52.2	0.0
Household Distribution by Income Level	259,545	20.7	12.2	15.2	51.9	0.0
Median Family Income MSA-14454 Boston, MA		\$90,699	Median Housing Value			\$454,030
			Median Gross Rent			\$1,356
			Families Below Poverty Level			4.3%
<i>Source: 2015 ACS and 2018 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Since the prior CRA evaluation, the assessment area’s population increased by 16,871. The combined percentage of low- and moderate-income population by geography increased by 3.8 percent which represents 9.2 percent of the population. The Median Family Income decreased by \$18,255 while the number of Owner-Occupied Units decreased by 1,272 units, and the percentage of Families Below Poverty Level decreased from 7.1 percent to 4.3 percent.

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 MD Median Family Income (14454)				
2018 (\$99,300)	<\$49,650	\$49,650 to <\$79,440	\$79,440 to <\$119,160	≥\$119,160
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
<i>Source: FFIEC</i>				

The Geographic Distribution criterion compares home mortgage lending performance to the distribution of owner-occupied housing units. Within the bank’s assessment area, 64.1 percent of the 272,397 housing units are owner-occupied. Of these, 92.8 percent of owner-occupied units are located in middle- and upper-income census tracts, while only 7.2 percent are located in low- or moderate-income census tracts.

Additionally, housing costs nominally increased during the evaluation period, with a median housing value of \$454,030. Considering the increase in low- and moderate-income population, the decrease in owner-occupied housing units and the rising median housing values, there is reasonable indication of an increased need for more affordable housing units within the assessment area.

Competition

The assessment area is located in a competitive market for financial services. Canton Co-operative Bank ranked 31st by total deposit amount, with 0.3 percent market share. The top five ranking institutions were comprised of national and community banks that include Bank of America, N.A., Citizens Bank, N.A., Rockland Trust Company, Needham Bank, and Santander Bank, N. A. representing 54.8 percent market share.

According to 2019 peer mortgage data, the assessment area overall home mortgage loans are also very competitive with 495 home mortgage lenders originating 43,648 home mortgage loans. Large national banks, non-depository lenders and a state-chartered community bank comprised the top ten lenders representing 36.2 percent market share. Some of the top lenders in the assessment area are Citizens Bank, N.A., Bank of America, N.A., Wells Fargo Bank, N.A., JP Morgan Chase Bank, N.A., and Quicken Loans, LLC.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help assess the credit and community development needs. The information obtained helps examiners determine whether local financial institutions are responsive to these needs and what credit and community development opportunities, if any, are available.

Examiners contacted a representative from a community development corporation which serves the assessment area. The contact identified the lack of affordable housing as the area with most concern. The high cost of housing in Norfolk County is forcing low- and moderate-income individuals and families to leave the assessment area.

Examiners conducted a second community contact interview with a community services organization which serves the area and provides support services to low- and moderate-income individuals. The contact identified food relief and homelessness prevention as two areas of concern. The contact stated that since the beginning of the COVID-19 pandemic the individuals seeking homelessness prevention services has doubled and the organization is looking to local financial institutions to assist in innovative ways.

Credit Needs

Examiners identified the primary credit needs of the assessment area based on demographic and economic information, discussions with management, and the conversation with the community contacts. Examiners determined the primary credit need of the community to be affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Canton Co-operative Bank’s overall Lending Test performance is rated Satisfactory. The sections below discuss the bank’s performance under each criterion.

Loan-to-Deposit Ratio

The average net loan-to-deposit (LTD) ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s LTD ratio, calculated from the Quarterly Call Report data, averaged 70.3 percent over the past twenty calendar quarters from March 31, 2016 through December 31, 2020. The ratio ranged from a high of 79.9 percent as of September 30, 2018, to a low of 61.6 percent as of March 31, 2016. The bank’s average LTD ratio was compared to that of similarly situated institutions based on asset size, geographic location, lending focus and branching structure. Canton Co-operative Bank’s average LTD ratio is slightly below the three institutions used in this comparison.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets \$(000’s)	Average LTD Ratio (%)
Canton Co-operative Bank	138,853	70.3
Wrentham Co-operative Bank	135,924	73.4
Stoughton Co-operative Bank	121,866	80.7
Charles River Bank	289,492	85.6
<i>Source: Reports of Income and Condition 3/31/2016 through 12/31/2020</i>		

Assessment Area Concentration

The bank made a majority of home mortgage loans, by number and dollar volume, within its assessment area. Please see the following table for more detail.

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										
2018	22	61.1	14	38.9	36	8,366	64.4	4,625	35.6	12,991
2019	13	68.4	6	31.6	19	4,613	74.4	1,589	25.6	6,202
Total	35	63.6	20	36.4	55	12,979	67.6	6,214	32.4	19,193
<i>Source: Bank Data</i>										

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers. Examiners focused on percentage, by number, of home mortgage loans to low- and moderate-income borrowers.

As shown in the table below, the bank made no loans to low-income borrowers in 2018 and 2019. Lending to moderate-income borrowers was slightly below aggregate but was in line with demographic data for 2018 and above both aggregate and demographic data for 2019. The 2015 ACS data shows that 4.3 percent of families have incomes below the poverty level. The percentage of low-income families is typically higher than lending to these families, as a low-income family in the assessment area may have difficulty qualifying for a mortgage under conventional underwriting standards, considering the median housing value of \$454,030.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	15.3	4.4	0	0.0	0	0.0
2019	15.3	3.8	0	0.0	0	0.0
Moderate						
2018	13.5	14.7	3	13.6	535	6.4
2019	13.5	14.6	2	15.4	445	9.6
Middle						
2018	19.0	21.9	4	18.2	1,003	12.0
2019	19.0	21.4	5	38.5	1,278	27.7
Upper						
2018	52.2	47.6	15	68.2	6,828	81.6
2019	52.2	47.9	6	46.2	2,890	62.6
Not Available						
2018	0.0	11.4	0	0.0	0	0.0
2019	0.0	12.3	0	0.0	0	0.0
Totals						
2018	100.0	100.0	22	100.0	8,366	100.0
2019	100.0	100.0	13	100.0	4,613	100.0
<i>Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data</i>						

Geographic Distribution

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. The bank made no loans within the low- and moderate-income census tracts in 2018 and 2019. However, the majority of the bank’s low (1) and moderate (12) income tracts are not conveniently located to the bank’s single Canton branch.

Market data demonstrates there is significant competition for loans in the assessment area. Market share for 2019 shows that the top 10 lenders captured 37 percent of the market to the low- and moderate-income census tracts and were primarily large national institutions and non-depository mortgage companies. In addition to the significant competition, the 2015 ACS Census data shows the percentage of owner-occupied housing units for both low- and moderate-income census tracts is below 50 percent and 72 percent of low-income housing units are rental units further indicating reduced lending opportunities.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	0.2	0.2	0	0.0	0	0.0
2019	0.2	0.1	0	0.0	0	0.0
Moderate						
2018	7.0	7.4	0	0.0	0	0.0
2019	7.0	6.7	0	0.0	0	0.0
Middle						
2018	35.8	35.8	9	40.9	2,799	33.5
2019	35.8	35.0	6	46.2	1,397	30.3
Upper						
2018	57.0	56.6	13	59.1	5,567	66.5
2019	57.0	58.2	7	53.8	3,216	69.7
Not Available						
2018	0.0	0.0	0	0.0	0	0.0
2019	0.0	0.0	0	0.0	0	0.0
Totals						
2018	100.0	100.0	22	100.0	8,366	100.0
2019	100.0	100.0	13	100.0	4,613	100.0
<i>Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available.</i>						

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

Minority Application Flow

The bank’s HMDA LARs for 2018 and 2019 were reviewed to determine if the application flow from the different racial groups within the bank’s assessment area was reflective of the assessment area’s demographics.

According to the 2015 ACS Census Data, the bank’s assessment area contained a total population of 670,850 individuals of which 19.7 percent are minorities. The minority population represented is 5.4 percent Black/African American, 8.6 percent Asian, 0.1 percent American Indian, 3.3 percent Hispanic or Latino, and 2.3 percent other.

The bank’s level of lending in 2019 was compared with that of the 2019 aggregate’s lending performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Refer to the table below for information on the bank’s minority application flow as well as the aggregate lenders in the bank’s assessment area.

MINORITY APPLICATION FLOW						
RACE	Bank 2018 HMDA		2018 Aggregate Data	Bank 2019 HMDA		2019 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.3	1	5.0	0.2
Asian	1	3.6	10.9	0	0.0	10.0
Black/ African American	2	7.2	4.9	1	5.0	4.9
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0	0.1
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	0	0.0	1.7	0	0.0	1.4
Total Racial Minority	3	10.8	18.1	2	10.0	16.7
White	23	82.1	61.0	16	80.0	60.6
Race Not Available	2	7.1	20.9	2	10.0	22.7
Total	28	100.0	100.0	20	100.0	100.0
ETHNICITY						
Hispanic or Latino	1	3.6	2.9	0	0.0	3.0
Joint (Hisp/Lat /Not Hisp/Lat)	1	3.6	1.1	0	0.0	1.0
Total Ethnic Minority	2	7.2	4.0	0	0.0	4.0
Not Hispanic or Latino	23	82.1	74.2	18	90.0	72.6
Ethnicity Not Available	3	10.7	21.8	2	10.0	23.4
Total	28	100.0	100.0	20	100.0	100.0

Source: ACS Census 2015, HMDA Aggregate Data 2018 and 2019, HMDA LAR Data 2018 and 2019

In 2018, the bank received 28 HMDA reportable loan applications within its assessment area. Of these applications, three or 10.8 percent were received from racial minority applicants, 66.7 percent of which resulted in originations. The aggregate received 4.0 percent of its applications from minority

consumers, of which 50.6 percent of which were originated. For the same time period, the bank received two or 7.2 percent of all applications from ethnic groups of Hispanic origin within its assessment area of which 100.0 percent were originated, compared to an aggregate ethnic minority application rate of 4.0 percent with a 54.8 percent origination rate.

In 2019, the bank received 20 HMDA reportable loan applications within its assessment area. Of these applications, 2 or 10.0 percent were received from minority applicants, 100.0 percent of which resulted in originations. The aggregate received 16.7 percent of its applications from racial minority consumers, of which 57.8 percent of which were originated. For the same time period, the bank received no applications from ethnic groups of Hispanic origin within its assessment area. The aggregate's ethnic minority rate was 4.0 percent with a 73.1 percent origination rate.

Considering the demographic composition of the assessment area, comparisons to aggregate data in 2019, and the number of applications received, the bank's minority application flow is reasonable.

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.

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.

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.

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.

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.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, require all financial institution to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (671 Washington Street Canton, MA 02021)

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

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

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