

# **PUBLIC DISCLOSURE**

September 20, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Commonwealth Cooperative Bank  
Certificate Number: 29842  
1172 River Street  
Hyde Park, Massachusetts 02136

Division of Banks  
1000 Washington Street, 10<sup>th</sup> 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 financial supervisory agency 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 Commonwealth Cooperative Bank (bank) prepared by the Massachusetts Division of Banks (Division, the institution's supervisory agency as of September 20, 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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Commonwealth Cooperative's performance under this test is summarized below:

- Commonwealth Cooperative's average net loan-to-deposit ratio is excellent given the institution's size, financial condition, and credit needs of its assessment area.
- A majority of the bank's residential loans are inside the assessment area.
- The geographic distribution of loans reflects a more than reasonable dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The bank has not received any CRA-related complaints since the last CRA evaluation.

## SCOPE OF EVALUATION

### General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire AA, 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 from July 10, 2017, to the current evaluation date September 20, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate Commonwealth Cooperative Bank's performance. The following criteria were considered: Loan-to-Share Analysis, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrower Profile and Response to CRA Complaints.

The evaluation references demographic and economic information from the 2015 American Community Survey (ACS) and the U.S. Bureau of Labor Statistics (BLS). Bank financial data reflects the March 31, 2020 Call Reports.

## **Activities Reviewed**

Examiners determined the bank's major product line is home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

The evaluation considered home mortgage loans collected on the bank's 2019 and 2020 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LAR). Although the bank is not a HMDA reporter, the institution maintained a HMDA LAR in 2019 and the first six months of 2020. For the second half of 2020, examiners used the bank's internal loan information to perform the CRA analysis. In 2019, the bank originated or purchased 45 loans totaling \$34.1 million and, in 2020, the bank had 48 loans totaling \$21.3 million. For comparison purposes, examiners reviewed 2019 and 2020 aggregate data and 2015 ACS data.

Examiners reviewed the number and dollar volume of home mortgage loans. While the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans because the number of loans is a better indicator of the number of individuals served.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Commonwealth Cooperative Bank is a state chartered bank that primarily serves the City of Boston as well as its surrounding cities and towns in parts of Suffolk, Middlesex, and Norfolk Counties.

The institution received a "Satisfactory" rating from the Division during its prior evaluation dated July 10, 2017, based on Interagency Small Institution Examination Procedures.

### **Operations**

Commonwealth Cooperative Bank maintains a main office at 1172 River Street in Hyde Park, Massachusetts and two other full-service branches in Boston and Jamaica Plain. The institution has not added or closed any branches since the previous examination.

The institution offers traditional loan products including home mortgage, commercial, and consumer loans. Additionally, the institution offers a variety of deposit products, including checking and savings accounts for consumers and businesses.

Automated teller machines (ATM) are located at each banking office. Additional services include online and mobile banking. The bank's debit card holders are also part of the SUM Network.

### **Ability and Capacity**

As of June 30, 2021, assets totaled approximately \$199.9 million and deposits totaled \$152.4 million. Total loans were \$133.3 million, representing approximately 66.7 percent of total assets. Since the previous CRA evaluation, assets increased 11.1 percent and the lending portfolio increased 15.0 percent. The following table illustrates the credit union’s loan portfolio.

<b>Loan Portfolio Distribution as of 06/30/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	16,210	12.2
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	84,761	63.6
Secured by Multifamily (5 or more) Residential Properties	5,924	4.4
Secured by Nonfarm Nonresidential Properties	18,454	13.8
<b>Total Real Estate Loans</b>	<b>125,349</b>	<b>94.1</b>
Commercial and Industrial Loans	7,904	5.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	151	0.1
LESS: Any Unearned Income	149	0.1
<b>Total Loans</b>	<b>133,255</b>	<b>100.0</b>
<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 AA 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. Commonwealth Cooperative Bank has designated a single assessment area that includes 404 census tracts located in the Boston, MA Metropolitan Division (MD) (14454) and the Cambridge-Newton-Framingham, MA MD (15764). This assessment area includes the Suffolk County municipalities of Boston, Chelsea, Revere, and Winthrop; the Middlesex County municipalities of Arlington, Belmont, Cambridge, Lexington, Medford, Newton, Somerville, Waltham, Watertown, Winchester, and Woburn; and the Norfolk County municipalities of Brookline, Canton, Dedham, Milton, Needham, Norwood, Quincy, Wellesley, and Westwood. The assessment area has remained the same since the previous CRA examination.

The following sections discuss demographic and economic information for the AA.

### **Economic and Demographic Data**

The AA includes 404 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 50 low-income tracts,

- 91 moderate-income tracts,
- 122 middle-income tracts,
- 128 upper-income tracts,
- 13 tracts without an income designation.

The following table illustrates select demographic characteristics of the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Commonwealth Coop AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	404	12.4	22.5	30.2	31.7	3.2
Population by Geography	1,679,226	10.8	23.7	33.0	32.0	0.5
Housing Units by Geography	700,733	9.6	23.5	33.8	32.5	0.6
Owner-Occupied Units by Geography	307,738	3.8	16.3	36.3	43.2	0.4
Occupied Rental Units by Geography	347,308	14.5	29.5	32.2	23.1	0.7
Vacant Units by Geography	45,687	11.8	26.3	30.1	30.9	0.9
Businesses by Geography	172,264	6.3	15.8	28.8	48.3	0.8
Farms by Geography	1,693	2.7	14.4	37.9	44.7	0.2
Family Distribution by Income Level	356,386	26.4	15.3	17.1	41.2	0.0
Household Distribution by Income Level	655,046	28.7	13.9	15.4	42.1	0.0
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Housing Value			\$479,692
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Gross Rent			\$1,405
			Families Below Poverty Level			9.8%
<i>Source: 2015 ACS and 2020 D&amp;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>						

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.

**Table B – Median Family Income Ranges**

<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA Median Family Income (14454)</b>				
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
2020 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
<b>Cambridge-Newton-Framingham, MA Median Family Income (15764)</b>				
2019 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
2020 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
<i>Source: FFIEC</i>				

**Competition**

The assessment area is located in a competitive market for home mortgage loans. There is a high level of competition for home mortgage loans among credit unions, banks, and non-depository lenders. In 2020, 556 lenders originated or purchased 83,256 home mortgage loans within the assessment area. The largest three lenders by market share include Leader Bank, N.A.; Guaranteed Rate, Inc. and Citizens Bank, N.A.

**Community Contacts**

The examination team reached out to a community organization serving the southern portion of Boston, to obtain context on the core of the financial institution’s assessment area. The contact primarily focuses on affordable housing and economic development initiatives.

The contact noted these Boston neighborhoods face a challenge in providing affordable housing for low- and moderate-income individuals, as well as maintaining and cultivating an environment for small and startup businesses. Relief initiatives like Residential Assistance for Families in Transition (RAFT) and Boston’s Acquisition Opportunity Program (AOP) have aided local organizations in stabilizing rent for low-income individuals and preventing displacement. COVID assistance has also been helpful for families as well as businesses in the area. The contact stated that local banks are involved in the area through financing and services. Larger institutions reflect interest in big projects, but small investor housing initiatives (i.e. 1-4 family housing) don’t spur as much involvement.

The contact noted that capital access is the greatest need for both small businesses and first time home buyers, and flexible lending is essential. The contact also mentioned financial literacy as an important resource for individuals and businesses, and hopes to see more neighborhood involvement in these initiatives. The contact expressed a concern that larger national financial institution have been closing their branch lobbies, in low-income areas, as they are heavily used by populations that correlate to low- and moderate-income families.

**Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing represents the primary community development need for the assessment area. The rapidly rising real estate costs and diminishing number of affordable housing units supports this need. Additionally, there is also a need for financial literacy education, both for individuals and businesses.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### **Loan-to-Deposit (LTD) Ratio**

The LTD ratio is more than reasonable given the institution’s size, financial condition, and the assessment area credit needs. The bank’s LTD ratio calculated from Call Report data, averaged 104.5 percent over the past 16 calendar quarters from September 30, 2017 to June 30, 2021. The ratio ranged from a low of 87.5 percent as of June 30, 2021 to a high of 112.8 as of September 30, 2021. The ratio remained generally stable during the evaluation period, before declining in 2020. The drop in the LTD ratio can be attributed to stimulus check receipt. Commonwealth Cooperative Bank maintained a ratio higher than those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 6/30/2021 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Commonwealth Cooperative</b>	<b>199,914</b>	<b>104.5</b>
Canton Cooperative	145,537	71.9
Stoughton Cooperative	126,294	80.6
<i>Source: Reports of Income and Condition 9/30/2017 through 6/30/2021</i>		



## Assessment Area Concentration

The institution originated a majority of loans within its assessment area. The share of loans increased from 2019 to 2020. The table below highlights the bank's lending inside and outside the assessment area by loan category.

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										
2019	31	68.9	14	31.1	45	25,277	74.2	8,777	25.8	34,054
2020	32	66.7	16	33.3	48	16,770	78.8	4,520	21.2	21,290
<b>Total</b>	<b>63</b>	<b>67.7</b>	<b>30</b>	<b>32.3</b>	<b>93</b>	<b>41,697</b>	<b>75.3</b>	<b>13,647</b>	<b>24.7</b>	<b>55,344</b>

*Source: Bank Data*

## Geographic Distribution

Considering the bank's assessment area demographics, aggregate data, and performance context factors, the distribution of home mortgage loans reflects more than reasonable dispersion throughout the assessment area in low- and moderate-income geographies.

The bank originated or purchased 16.1 percent of its home mortgage loans within low-income census tracts in 2019. This performance is above the aggregate of 4.4 percent and the demographic benchmark of owner-occupied housing of 3.8 percent. Though the bank's percentage of loans in low-income census tracts in 2020 decreased to 9.4 percent, performance remained above the aggregate of 3.9 percent and the demographic benchmark of 3.8 percent with owner-occupied housing.

The bank originated or purchased 25.8 percent of home mortgage loans within moderate-income census tracts in 2019. This is above the aggregate performance of 18.3 percent and the owner-occupied housing percentage of 16.3 percent. The bank's number of home mortgage loans decreased to 15.6 percent in moderate-income census tracts in 2020, which trended below the aggregate of 16.9 percent and the demographic benchmark of 16.3 percent.

<b>Table E – Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Commonwealth Coop 2021</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2019	3.8	4.4	5	16.1	8,481	33.6
2020	3.8	3.9	3	9.4	1,731	10.3
Moderate						
2019	16.3	18.3	8	25.8	4,315	17.1
2020	16.3	16.9	5	15.6	1,717	10.2
Middle						
2019	36.3	35.9	12	38.7	8,376	33.1
2020	36.3	35.8	11	34.4	3,740	22.3
Upper						
2019	43.2	40.8	6	19.4	4,105	16.2
2020	43.2	42.9	13	40.6	9,582	57.1
Not Available						
2019	0.4	0.5	0	0.0	0	0.0
2020	0.4	0.5	0	0.0	0	0.0
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>25,277</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>	<b>16,770</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Borrower Profile**

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

In 2019, the bank’s lending to both low- and moderate-income borrowers was below aggregate data. The bank originated 9.7 percent of loans to moderate-income borrowers, below the aggregate performance of 11.5 percent. In 2020, while lending to low-income borrowers at 6.3 percent was above the aggregate of 2.4 percent, lending to moderate-income borrowers at 9.4 percent was below aggregate data of 11.8 percent.

The percentage of low-income families is typically higher than lending to these families, as a low-income family in the assessment area, earning less than \$52,750 in the Boston, MA MD or \$57,750 in the Cambridge-Newton-Framingham, MA MD, may have difficulty qualifying for a mortgage

under conventional underwriting standards, considering the median housing value of the assessment area is \$479,692. Refer to the table below for more information.

<b>Table I – Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Commonwealth Coop 2021</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2019	26.4	3.0	0	0.0	0	0.0
2020	26.4	2.4	2	6.3	415	2.5
<b>Moderate</b>						
2019	15.3	11.5	3	9.7	310	12.3
2020	15.3	11.8	3	9.4	530	3.2
<b>Middle</b>						
2019	17.1	19.6	2	6.5	610	2.4
2020	17.1	21.1	8	25.0	3,002	17.9
<b>Upper</b>						
2019	41.2	53.3	9	29.0	4,905	19.4
2020	41.2	54.1	15	46.9	6,351	37.9
<b>Not Available</b>						
2019	0.0	12.6	17	54.8	19,452	76.9
2020	0.0	10.6	4	12.5	6,472	38.6
<b>Totals</b>						
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>25,277</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>100</b>	<b>32</b>	<b>100.0</b>	<b>16,770</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Response to Complaints**

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 credit union's public comment file indicated the credit union 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.

## Discriminatory or Other Illegal Credit Practices

### *Fair Lending Policies and Procedures*

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. 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, examiners did not identify any violations of anti-discrimination laws and regulations.

### *Minority Application Flow*

The bank's available mortgage data for 2019 and 2020 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 2015 ACS data, the bank's assessment area contains a population of 1,679,226 individuals, of which 39.0 percent are minorities. The assessment area's minority population is 11.9 percent Black/African American, 10.9 percent Asian/Pacific Islander, 0.1 percent American Indian, 13.0 percent Hispanic or Latino, and 3.1 percent Other.

The following table details the credit union's minority application flow and aggregate data in its assessment area.

<b>MINORITY APPLICATION FLOW</b>						
<b>RACE</b>	<b>Bank 2019</b>		<b>2019 Aggregate Data</b>	<b>Bank 2020</b>		<b>2020 Aggregate Data</b>
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>%</b>
American Indian/ Alaska Native	1	2.8	0.2	0	0.0	0.2
Asian	0	0.0	11.1	0	0.0	11.8
Black/ African American	1	2.8	5.3	0	0.0	4.0
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0	0.2
2 or more Minority	0	0.0	0.2	0	0.0	0.2
Joint Race (White/Minority)	0	0.0	2.1	0	0.0	2.3
<b>Total Racial Minority</b>	<b>2</b>	<b>5.6</b>	<b>19.1</b>	<b>0</b>	<b>0.0</b>	<b>18.7</b>
White	14	38.9	55.4	21	67.7	56.2
Race Not Available	20	55.5	25.5	10	32.3	25.1
<b>Total</b>	<b>36</b>	<b>100.0</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	1	0.0	5.2	2	6.5	4.3
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.2	0	0.0	1.2
<b>Total Ethnic Minority</b>	<b>1</b>	<b>2.8</b>	<b>6.4</b>	<b>2</b>	<b>6.5</b>	<b>5.5</b>
Not Hispanic or Latino	15	41.7	67.9	20	64.5	68.7
Ethnicity Not Available	20	55.5	25.7	9	29.0	25.8
<b>Total</b>	<b>36</b>	<b>100.0</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>100.0</b>

*Source: ACS Census 2015, HMDA Aggregate Data 2019 and 2020, Bank Data 2019 and 2020*

In 2019, the bank received 36 loan applications from within its assessment area. The bank received 2 applications from racial minority applicants. For the same period, the bank received one application from a consumer in the ethnic minority demographics.

In 2020, the bank received 31 loan applications. The bank originated two loans to ethnic minority applicants. The bank's performance was below aggregate data for racial minority application flow, and comparable to ethnic minority application flow.

The bank's low volume of lending coupled with a high percentage of loans to non-individual borrowers (i.e. investment property originations) limits a conclusive finding based on minority application flow alone. However, the bank's 2019 HMDA information reflects a relatively larger market share of applications and originations in majority-minority census tracts. This reflects effective outreach to provide credit in majority-minority areas, and confirms adequate performance.

## 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.

**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. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

**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 Areas (CBSAs):** 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).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

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

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

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

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

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

**Nonmetropolitan Area:** 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.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for

- Population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and
- Distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent 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, 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 1172 River Street, Hyde Park, Massachusetts 02136."

[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.