

# **PUBLIC DISCLOSURE**

January 13, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Dean Co-operative Bank  
Certificate Number: 27269

21 Main Street  
Franklin, Massachusetts 02038

Division of Banks  
One Federal Street, Suite 710  
Boston, Massachusetts 02110-2012

Federal Deposit Insurance Corporation  
350 Fifth Avenue, Suite 1200  
New York, New York 10118

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

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREA .....	3
SCOPE OF EVALUATION .....	7
CONCLUSIONS ON PERFORMANCE CRITERIA .....	8
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	14
APPENDICES .....	15
DIVISION OF BANKS FAIR LENDING POLICIES AND PROCEDURES .....	15
MINORITY APPLICATION FLOW .....	15
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA .....	17
GLOSSARY .....	18

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory** by the Massachusetts Division of Banks (Division) and the FDIC.

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 reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment area.
- Examiners did not evaluate the geographic distribution of loans, as there are no low- or moderate-income census tracts within the assessment area.
- The distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

## DESCRIPTION OF INSTITUTION

### **Background**

Dean Co-operative Bank (Dean Bank) is a Massachusetts-chartered mutual savings bank incorporated in 1889 and headquartered in Franklin, Massachusetts (MA). Dean Bank has two subsidiaries: Dean Investments, Inc., which holds investments for marketable securities; and Dean Properties Inc., which manages and develops real estate. Neither subsidiary offers deposit or credit-related products. Dean Bank received a Satisfactory rating from the FDIC and the Massachusetts Division of Banks (Division) during its prior joint evaluation, dated December 13, 2021, using FFIEC Intermediate Small Institution (ISI) Examination Procedures. At the prior evaluation, the bank received ratings of Satisfactory for the Lending Test and Satisfactory for the Community Development Test.

Dean Bank's main office is located at 21 Main Street in Franklin, MA. In addition to the main office branch, the bank operates three full-service branches in Bellingham, Blackstone, and Mendon, MA. The bank operates automated teller machines (ATMs) at each location. The bank has not opened or closed any branches since the previous evaluation.

### **Operations**

Dean Bank offers residential, consumer, and commercial lending products, with a primary focus on residential lending. Home financing products include first time homebuyer loans, loans for the purchase, refinance, improvement, and construction of residential property, and home equity loans. The bank also began offering Mass Save HEAT loans during the evaluation period. Consumer loans include vehicle, personal, and collateral loans. Lastly, the bank offers a variety of commercial lending options such as real estate loans, revolving lines of credit, term loans, time loans, Small Business Administration (SBA) loans, commercial overdraft lines, and letters of credit.

Deposit products include checking, savings, and money market accounts, certificates of deposit, and individual retirement accounts. Alternative banking services include online and mobile banking, including bill payment, 24-hour ATM banking, telephone banking, mobile wallet, and Zelle®.

### **Ability and Capacity**

As of September 30, 2024, Dean Bank had total assets of approximately \$471.0 million, which included total loans of \$324.2 million and total securities of \$108.8 million. Deposits totaled \$398.3 million as of the same date. Total assets increased 10.9 percent since the prior CRA evaluation. Total loans represent 68.1 percent of total assets. Loans secured by residential (1-4 family and multifamily) real estate account for 70.4 percent of the loan portfolio, followed by 23.7 percent secured by commercial real estate and commercial and industrial loans. The loan portfolio distribution by loan category remained relatively stable since the prior evaluation. The following table illustrates the bank's loan portfolio distribution as of September 30, 2024.

<b>Loan Portfolio Distribution as of 09/30/2024</b>		
<b>Loan Category</b>	<b>\$ (000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	14,900	4.6
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	220,697	68.1
Secured by Multifamily (5 or more) Residential Properties	7,515	2.3
Secured by Nonfarm Nonresidential Properties	50,048	15.4
<b>Total Real Estate Loans</b>	<b>293,160</b>	<b>90.4</b>
Commercial and Industrial Loans	26,796	8.3
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	4,238	1.3
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>324,194</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income Due to rounding, totals may not equal 100.0</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

Dean Bank designated two contiguous assessment areas, which include the Massachusetts communities of Bellingham, Blackstone, Franklin, Mendon, Millville, Uxbridge, and Wrentham. Bellingham, Franklin, and Wrentham are located in Norfolk County and are in the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA). Blackstone, Mendon, Millville, and Uxbridge are located in Worcester County and are in the Worcester, MA MSA. Both MSAs are located within the Boston-Worcester-Providence, MA-RI-NH Combined Statistical Area (CSA); therefore, examiners presented conclusions for the combined assessment area under the CSA. The combined assessment area is unchanged since the previous examination.

### **Economic and Demographic Data**

While the bank's assessment area has not changed since the prior evaluation, the number and distribution of census tracts by income designation changed due to the availability of 2020 U.S. Census data. According to the 2015 ACS data, used for the previous evaluation, the assessment area consisted of 16 census tracts with the following income designations:

- 0 low-income tracts,
- 0 moderate-income tracts,
- 7 middle-income tracts, and
- 9 upper-income tracts.

According to 2020 U.S. Census data, the assessment area consists of 20 census tracts with the following income designations:

- 0 low-income tracts,
- 0 moderate-income tracts,
- 11 middle-income tracts, and
- 9 upper-income tracts.

The following table illustrates select demographic characteristics of the assessment area based on 2020 U.S. Census data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	20	0.0	0.0	55.0	45.0	0.0
Population by Geography	95,156	0.0	0.0	50.0	50.0	0.0
Housing Units by Geography	37,347	0.0	0.0	52.7	47.3	0.0
Owner-Occupied Units by Geography	29,134	0.0	0.0	49.5	50.5	0.0
Occupied Rental Units by Geography	6,631	0.0	0.0	64.3	35.7	0.0
Vacant Units by Geography	1,582	0.0	0.0	62.6	37.4	0.0
Businesses by Geography	9,370	0.0	0.0	48.2	51.8	0.0
Farms by Geography	328	0.0	0.0	38.4	61.6	0.0
Family Distribution by Income Level	25,668	12.1	14.6	21.8	51.5	0.0
Household Distribution by Income Level	35,765	17.6	12.3	16.0	54.0	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$385,692
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$96,860	Median Gross Rent			\$1,218
			Families Below Poverty Level			2.8%
Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income; Due to rounding, totals may not equal 100.0%; (* ) The NA category consists of geographies that have not been assigned an income classification.						

Examiners use the FFIEC-updated median family income (MFI) levels to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the MFI ranges in the assessment area in 2022 and 2023.

<b>Median Family Income Ranges</b>				
<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>				
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
<b>Worcester, MA-CT MSA Median Family Income (49340)</b>				
2022 (\$107,900)	<\$53,950	\$53,950 to <\$86,320	\$86,320 to <\$129,480	≥\$129,480
2023 (\$115,600)	<\$57,800	\$57,800 to <\$92,480	\$92,480 to <\$138,720	≥\$138,720
<i>Source: FFIEC</i>				

The Borrower Profile criterion compares the bank’s home mortgage loan distribution to the percentage of low- and moderate-income families, which represent 26.7 percent of all families in the assessment area, including 2.8 percent that live below the poverty level. Considering the median housing value in the assessment area, low- and moderate-income families may have difficulty qualifying for home mortgage loans under conventional underwriting standards. Specifically, the median housing value of \$385,692 is nearly six times the highest income of low-income families and over three times the highest income of moderate-income families.

The analysis of small business loans under the Borrower Profile criterion also compares the distribution of small business loans to businesses by gross annual revenue (GAR) to D&B data. According to 2023 D&B data, 9,370 non-farm businesses operate within the assessment area. The following is a break-down of businesses in the assessment area by GAR category.

- 88.6 percent have \$1.0 million or less
- 3.6 percent have more than \$1.0 million, and
- 7.8 percent did not report revenues.

Service industries represent the largest portion of businesses at 34.1 percent; followed by non-classifiable establishments at 18.4 percent; retail trade at 12.0 percent; and construction at 11.4 percent. The majority of non-farm businesses in the assessment area are small, with a significant majority of businesses (92.5 percent) having nine or fewer employees and 91.8 percent operating from a single location.

According to the U.S. Bureau of Labor Statistics, unemployment rates increased significantly during the COVID-19 pandemic and have since improved. In 2021, Norfolk County experienced an unemployment rate that was below the state and national rates, while Worcester County had an unemployment rate that was comparable to the state and national rates. In 2022, the unemployment rate in the assessment area declined similarly to the state and national rates, and rates across the board were relatively unchanged from 2022 to 2023. The following table illustrates the average annual unemployment rate in Norfolk and Worcester Counties, statewide, and nationally.

Annual Average Unemployment Rates (%)			
Area	2021	2022	2023
	%	%	%
Norfolk County	4.8	3.1	3.1
Worcester County	5.2	3.2	3.2
Massachusetts	5.1	3.4	3.4
National Average	5.3	3.7	3.6
<i>Source: Bureau of Labor Statistics</i>			

## **Competition**

The assessment area is moderately competitive for financial services. According to FDIC Deposit Market Share data, as of June 30, 2024, 12 depository institutions operated 24 branches within the bank's assessment area. Of these, Dean Bank ranked 3<sup>rd</sup> with 15.2 percent market share. Rockland Trust Company and Bank of America, N.A. were the top-ranked institutions, with 23.4 and 16.4 percent market shares, respectively.

The bank faces a high level of competition for home mortgage loans from national banks, non-depository mortgage lenders, credit unions, and other state-chartered community banks. In 2022, 281 home mortgage lenders originated or purchased 3,439 mortgage loans in the assessment area. Dean Bank ranked 6<sup>th</sup> with a 2.9 percent market share, outperformed by national and regional banks and mortgage lenders. In 2023, 232 home mortgage lenders originated or purchased 2,261 mortgage loans in the assessment area. Dean Bank ranked 3<sup>rd</sup> with a 4.2 percent market share, outperformed by Citizens Bank, N.A. with a 7.0 percent market share, and Rockland Trust with a 4.2 percent market share.

Dean Bank is not required to collect or report its small business lending data and elected not to do so. Therefore, the small business loan analysis under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the competition level for small business loans. In 2023, 137 reporting small business lenders originated or purchased 39,777 small business loans in Norfolk and Worcester counties, indicating a high level of competition. The top two lenders, American Express National Bank and JPMorgan Chase Bank, N.A., collectively held 43.4 percent of the market share.

## **Community Contact**

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



Examiners conducted a community contact with a planning agency that serves the assessment area. The organization's programs include transportation, regional collaboration, and community planning. The contact stated that affordable housing is a need within the assessment area, particularly for seniors. Many seniors want to downsize, but there is a lack of appropriate housing options in the area. The contact also highlighted that there are infrastructure and transportation needs for residents without cars. The contact also stated that some towns in the area have indicated a need for first time homebuyer programs and home improvement financing options.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, the bank, and regional economic data, the primary credit needs are first time home buyer programs and home improvement financing options. The primary community development need in the assessment area is affordable housing, followed by community services and financial education for low- and moderate-income individuals. However, opportunities for the bank to become involved in meeting these community development needs have been somewhat limited.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation, conducted jointly by the Division and the FDIC, assessed Dean Bank's CRA performance from the prior evaluation, dated December 13, 2021, to the current evaluation, dated January 13, 2025. Examiners used the Interagency ISI procedures to evaluate Dean Bank's performance. The ISI procedures include a Lending Test and a Community Development Test (see appendices for a complete description). This evaluation does not include any lending activity performed by affiliates.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are home mortgage and commercial loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. Neither small farm loans nor consumer loans represent a large portion of the bank's lending portfolio, and as such, they were not analyzed as part of this evaluation. Home mortgage lending received more weight during the review due to the larger volume of home mortgage loans originated during the evaluation period compared to small business loans.

Examiners analyzed all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2021, 2022, and 2023 to evaluate the bank's performance. The bank reported 370 home mortgage loans totaling \$100.8 million in 2021, 171 home mortgage loans totaling \$37.3 million in 2022, and 152 home mortgage loans totaling \$28.1 million in 2023. The declining volume in 2022 and 2023 resulted from increases in interest rates and local home prices, which led to decreased demand for home mortgage loans.

Examiners presented all three years of home mortgage lending data in the Lending Inside and Outside of the Assessment Area table under the Assessment Area Concentration criterion. For the Borrower Profile criterion, examiners only presented home mortgage lending data from 2022 and 2023, as 2023 is the most recent year for which aggregate data is available and 2022 provides data for trend analysis. Examiners compared the bank's 2022 and 2023 home mortgage lending performance to aggregate data for 2022 and 2023 and to 2020 U.S Census demographic data.

The bank originated or purchased 52 small business loans totaling \$7.4 million in 2024. As mentioned previously, due to its asset size, the bank is not required to collect or report small business data and has chosen not to. Therefore, examiners selected a random sample of 36 small business loans the bank originated or purchased in 2024 for analysis. This sample is considered representative of the bank's performance during the entire evaluation period. Examiners did not compare the bank's performance to aggregate data because it does not report its small business loans. Rather, examiners compared the bank's small business lending performance to D&B demographic data.

The bank's financial data referenced throughout the evaluation is from the September 30, 2024, Consolidated Report of Condition and Income (Call Report), unless otherwise noted. In arriving at overall conclusions under the Lending Test, examiners placed greater emphasis on the number of loans rather than dollar amount, as the number of loans more accurately reflects the number of individuals and businesses served in the community.

The Community Development Test considers the number and dollar amount of the bank's community development loans, the number and dollar amount of qualified investments, and the quantity of community development services. Examiners considered community development activities conducted from the prior evaluation dated December 13, 2021, through the current evaluation date of January 13, 2025.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

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

#### **Loan-to-Deposit Ratio**

The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's quarterly net LTD ratio, calculated from Call Report data, averaged 75.9 percent over the past 12 calendar quarters from December 31, 2021, to September 30, 2024. The bank's quarterly net LTD ratio increased throughout the evaluation period. The LTD ratio ranged from a low of 68.9 percent as of June 30, 2022, to a high of 80.9 percent as of March 31, 2024.

Examiners compared the bank's LTD ratio to similar institutions based on asset size, geographic location, and lending focus. As indicated in the following table, Dean Bank's average net LTD ratio was lower than that of one of the institutions and higher than the other two institutions.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 9/30/2024 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Dean Co-operative Bank</b>	<b>471,025</b>	<b>75.9</b>
Bay State Savings Bank	560,345	90.8
North Brookfield Savings Bank	414,887	75.1
Athol Savings Bank	648,229	74.6
<i>Source: Reports of Condition and Income 12/31/2021 – 09/30/2024</i>		

### **Assessment Area Concentration**

The bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area. The following table details the bank's home mortgage and small business lending activity inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total  #	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000s)	%	\$ (000s)	%	
Home Mortgage										
2021	255	68.9	115	31.1	370	64,611	64.1	36,179	35.9	100,790
2022	106	62.0	65	38.0	171	17,424	46.8	19,842	53.2	37,266
2023	95	62.5	57	37.5	152	15,340	54.5	12,795	45.5	28,135
Subtotal	456	65.8	237	34.2	693	97,375	58.6	68,816	41.4	166,191
Small Business										
2024	18	50.0	18	50.0	36	1,826	52.6	1,643	47.4	3,469
Total	474	65.0	255	35.0	729	99,201	58.5	70,459	41.5	169,660
Source: Bank Data Due to rounding, totals may not equal 100.0%.										

### **Geographic Distribution**

The bank's assessment area does not include any low- or moderate-income census tracts and a review of the Geographic Distribution criterion would not result in meaningful conclusions. As a result, this criterion was not evaluated and did not affect the Lending Test rating.

## **Borrower Profile**

The distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes. The bank's excellent performance in home mortgage lending and reasonable performance in small business lending support this conclusion. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with GARs of \$1.0 million or less.

### ***Home Mortgage Loans***

The distribution of borrowers reflects excellent penetration among individuals of different income levels. As shown in the following table, the bank's lending to low-income borrowers exceeded aggregate performance in 2022 and 2023. The bank's level of lending was comparable to the percentage of low-income families in 2022 and 2023. The bank's lending to moderate-income borrowers exceeded demographic data in 2022 and 2023, was comparable to aggregate performance in 2022, and exceeded aggregate performance in 2023. Market share reports further support the bank's excellent performance. Specifically, in 2023, Dean Bank ranked 2<sup>nd</sup> in lending to low-income borrowers and ranked 5<sup>th</sup> in lending to moderate-income borrowers.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</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>						
2022	12.1	6.2	11	10.4	1,198	6.9
2023	12.1	4.7	11	11.6	608	4.0
<b>Moderate</b>						
2022	14.6	20.8	22	20.8	1,483	8.5
2023	14.6	16.7	18	18.9	2,600	17.0
<b>Middle</b>						
2022	21.8	26.3	31	29.2	4,589	26.3
2023	21.8	27.7	27	28.4	4,246	27.7
<b>Upper</b>						
2022	51.5	36.7	37	34.9	7,673	44.0
2023	51.5	40.7	36	37.9	7,034	45.9
<b>Not Available</b>						
2022	0.0	10.0	5	4.7	2,481	14.2
2023	0.0	10.2	3	3.2	853	5.6
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>106</b>	<b>100.0</b>	<b>17,424</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>95</b>	<b>100.0</b>	<b>15,340</b>	<b>100.0</b>
Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

### ***Small Business Loans***

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. As shown in the following table, Dean Bank's lending to small businesses in 2024 was significantly below the percentage of businesses with GARs of \$1.0 million or less. While the bank's performance compares unfavorably to the percentage of businesses with GARs of \$1.0 million or less, the bank faces a high level of competition for small business loans in the assessment area. As noted in the Description of Assessment Area section, 137 reporting small business lenders originated or purchased 39,777 small business loans in the bank's assessment area in 2023, the most recent year for which aggregate data is available. Given the level of competition in the assessment area, and the size and complexity of the bank, performance is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Business Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000					
2024	88.0	6	33.3	461	25.2
>\$1,000,000					
2024	3.7	12	66.7	1,365	74.8
Revenue Not Available					
2024	8.2	0	0.0	0	0.0
<b>Total</b>					
<b>2024</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>1,826</b>	<b>100.0</b>
<i>Source: 2024 D&amp;B Data Due to rounding, totals may not equal 100.0%</i>					

### **Response to Complaints**

The bank has not received any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

Dean Bank demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need for and availability of such opportunities.

### **Community Development Loans**

Dean Bank originated one community development loan for \$46,000 during the evaluation period. This level of activity represents 0.01 percent of average total assets and 0.01 percent of average total loans since the prior evaluation. These ratios are below those of similarly situated institutions;

however, community development lending opportunities in the assessment area are relatively limited, in part due to the absence of low- and moderate-income census tracts.

This level of activity is a decrease from the prior evaluation period, when the bank originated 24 loans totaling approximately \$8.2 million. However, the majority of the bank's community development loans during the prior evaluation period consisted of a \$6.1 million SBA 504 loan that supported economic development and 18 SBA Paycheck Protection Program (PPP) loans totaling \$954,600 that helped businesses keep their workforce employed during the COVID-19 Pandemic. SBA PPP loans were only available in 2020 and 2021.

Below is a description of the bank's qualified community development loan:

- In 2023, the bank originated a \$46,000 small farm loan within the assessment area. The loan provided the ability to cover costs to rebuild the multi-purpose small farm, including making improvements to the farm's cold storage and building a wash station. This loan supports economic development by helping to create jobs for the farm's field work, farm stands, and educators for the small children workshop programs.

### **Qualified Investments**

During the evaluation period, Dean Bank's qualified investments consisted of 54 donations totaling \$41,660 and no equity investments. The level of activity reflects an increase by number but a decrease by total dollar amount compared to the prior evaluation period, when the bank made 35 qualified investments for approximately \$56,850, consisting entirely of donations. The current total dollar amount equates to 0.01 percent of average total assets and 0.04 percent of average total securities since the prior CRA evaluation. These ratios at the previous evaluation were similar, at 0.02 percent and 0.1 percent, respectively. This level of activity is similar to that of two similarly situated institutions and below one similarly situated institution.

A portion of the qualified donations were part of the bank's Community Impact Project / Charitable Giving Program offered from 2021 to 2024. Through this program, each bank employee was allowed to submit a request for a donation to an organization of their choice, and the bank selected a set number of those organizations each month and made donations of \$100 to each. The bank promoted this program to customers and the public and invited the community to solicit donations from bank employees through the program. During the evaluation period, the bank made 15 qualified donations totaling \$2,300 through this program.

The following table illustrates the bank's qualified investments by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
12/13/2021-12/31/2021	0	0	1	515	0	0	0	0	1	515
2022	0	0	14	8,075	0	0	0	0	14	8,075
2023	0	0	17	14,660	0	0	0	0	17	14,660
2024	0	0	21	17,860	1	550	0	0	22	18,410
YTD 2025	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>53</b>	<b>41,110</b>	<b>1</b>	<b>550</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>41,660</b>
<i>Source: Bank Data</i>										

The bank's qualified donations primarily supported community services, which examiners identified as a need within the assessment area. Below are notable examples:

- **Franklin Food Pantry** – This non-profit community service organization provides food assistance to low- and moderate-income individuals to help alleviate food insecurity in the Franklin community. During the evaluation period, the bank made multiple donations totaling \$10,170 to this organization to provide food and household items to low- and moderate-income individuals.
- **New Hope, Inc.** – This non-profit community service organization provides supportive services to female victims of domestic and sexual violence throughout south central and southeastern Massachusetts. The organization provides crisis intervention, violence prevention, life transition, and self-sufficiency support while promoting behavioral and systemic changes to reduce violence at the individual and community levels. The organization primarily serves low- and moderate-income individuals. The bank donated \$6,000 to this organization during the evaluation period.
- **Random Smile Project** – This non-profit community organization provides clothing, groceries, books, and toys to low- and moderate-income families. The organization also assists families with home repairs and conversions related to accessibility options for people with disabilities. The bank donated \$5,500 to this organization during the evaluation period.

### **Community Development Services**

During the evaluation period, Dean Bank employees and officers provided 17 instances of financial expertise or technical assistance to four different community development-related organizations in the assessment area. This level of activity is consistent with the prior evaluation period and is similar to that of one similarly situated institution and below two others.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
12/13/2021 – 12/31/2021	0	0	0	0	0
2022	1	5	0	0	6
2023	1	6	0	0	7
2024	1	3	0	0	4
YTD 2025	0	0	0	0	0
<b>Total</b>	3	14	0	0	17
<i>Source: Bank Data</i>					

Below are notable examples of the bank's community development services:

- **Milford Regional Medical Center (MRMC)** – MRMC is a Massachusetts non-profit and community hospital located in Milford, MA. MRMC operates a health system that serves an 18-town service area in South Worcester County, including towns in the bank's assessment area. The hospital, according to public records, is a majority public-payer hospital, with 57.5 percent of patients in 2023 receiving MassHealth, Medicaid, or Medicare. Three bank officers hold leadership positions as Board members, Corporators, and/or Finance Committee members.
- **Franklin Housing Authority** – Franklin Housing Authority provides a range of safe, secure, suitable, and affordable housing opportunities to low-income family, elderly and disabled households. The organization maintains 10 properties and 219 units of affordable housing in Franklin, MA. A bank employee serves on the Board of the housing authority.
- **New Hope, Inc.** – As stated above, this non-profit community service organization provides supportive services to female victims of domestic and sexual violence throughout south central and southeastern Massachusetts. The organization provides crisis intervention, violence prevention, life transition, and self-sufficiency support while promoting behavioral and systemic changes to reduce violence at the individual and community levels. The organization primarily serves low- and moderate-income individuals. Two bank officers served on the Capital Campaign Committee for this organization in 2022 and 2023.

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act, and did not identify any discriminatory or other illegal credit practices.



## APPENDICES

### DIVISION OF BANKS FAIR LENDING POLICIES AND PROCEDURES

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

### MINORITY APPLICATION FLOW

Examiners reviewed the bank's 2022 and 2023 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment area reflected the assessment area's demographics. According to 2020 US Census Data, the bank's assessment area contained a total population of 95,156 individuals, of which 15.0 percent are minorities. The minority and ethnic population represented is 3.2 percent Asian, 3.5 percent Hispanic, 1.5 percent Black or African American, 6.6 percent other race, 0.1 percent American Indian or Alaska Native, and 0.1 percent Native Hawaiian or other Pacific Islander. Examiners compared the bank's application activity with that of the 2022 and 2023 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. Refer to the table below for information on the bank's minority application flow as well as aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	Dean 2022		Aggregate Data 2022	Dean 2023		Aggregate Data 2023
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.2	1	0.8	0.3
Asian	1	0.6	4.9	6	4.7	5.6
Black/ African American	1	0.6	1.9	1	0.8	3.0
Hawaiian/Pacific Islander	1	0.6	0.1	1	0.8	0.1
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	3	1.9	1.3	2	1.6	1.5
<b>Total Racial Minority</b>	<b>6</b>	<b>3.7</b>	<b>8.5</b>	<b>11</b>	<b>8.7</b>	<b>10.6</b>
White	133	83.2	71.9	97	76.9	70.2
Race Not Available	21	13.1	19.4	18	14.4	19.2
<b>Total</b>	<b>160</b>	<b>100.0</b>	<b>100.0</b>	<b>126</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	6	3.8	4.3	4	3.2	4.6
Joint (Hisp/Lat /Not Hisp/Lat)	5	3.1	1.7	3	2.4	1.9
<b>Total Ethnic Minority</b>	<b>11</b>	<b>6.9</b>	<b>6.0</b>	<b>7</b>	<b>5.6</b>	<b>6.5</b>
Not Hispanic or Latino	127	79.4	74.3	100	79.4	74.2
Ethnicity Not Available	22	13.7	19.7	19	15.0	19.3
<b>Total</b>	<b>160</b>	<b>100.0</b>	<b>100.0</b>	<b>126</b>	<b>100.0</b>	<b>100.0</b>

In 2022, the bank received 160 home mortgage loan applications from within its assessment area. Of these applications, the bank received 6 or 3.7 percent from racial minority applicants. The aggregate received 8.5 percent of its application from minority applicants. For the same period, the bank also received 11, or 6.9 percent, from ethnic groups of Hispanic origin within its assessment area and the aggregate received 6.0 percent.

In 2023, the overall application volume decreased to 126, primarily due to market conditions. Of these applications, the bank received 11 or 8.7 percent from racial minority applicants. The aggregate received 10.6 percent of its applications from minority applicants. For the same period, the bank also received 7 applications, or 5.6 percent, from ethnic groups of Hispanic origin within its assessment area and the aggregate received 6.5 percent.

Considering the demographics of the assessment area, market conditions, and comparisons to the aggregate data in 2022 and 2023, the bank's application rates from racial and ethnic minorities are reasonable.

## **INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA**

### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

## GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

**Community Development Loan:** A loan that:

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

**Community Development Service:** A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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