

PUBLIC DISCLOSURE

March 31, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Dedham Institution for Savings
Certificate Number: 23620

55 Elm Street
Dedham, Massachusetts 02026

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

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	4
SCOPE OF EVALUATION	8
CONCLUSIONS ON PERFORMANCE CRITERIA.....	10
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	31
APPENDICES	32
DIVISION OF BANKS FAIR LENDING POLICIES AND PROCEDURES.....	32
MINORITY APPLICATION FLOW	32
LARGE BANK PERFORMANCE CRITERIA	34
SCOPE OF EVALUATION	36
GLOSSARY	37

INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Satisfactory**	X		
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when achieving an overall rating. **FDIC rules and regulations stipulate use of a “high satisfactory” and “low satisfactory” rating for the three tests. This jointly issued public evaluation uses the term “satisfactory” in lieu of “low satisfactory” for the Lending, Investment, and Service Test ratings, as the Division does not have a “low satisfactory” rating.			

The Lending Test is rated Satisfactory

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- The bank made a substantial majority of home mortgage and small business loans in the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the bank, adequate penetration among retail customers of different income levels and business customers of different sizes.
- The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout the assessment area.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in providing community development loans.

The Investment Test is rated High Satisfactory.

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

The Service Test is rated High Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area.
- To the extent changes have been made, the institution's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals.
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

Background

Dedham Institution for Savings (DIFS) is headquartered in Dedham, Massachusetts (MA). The bank's ownership structure changed in 2024 when its holding company, 1831 Bancorp, merged with South Shore Bancorp, the holding company of South Shore Bank (SSB) under the 1831 Bancorp, MHC name, also known as Charlesbridge Bancorp, MHC. Based on this change in ownership, SSB is now an affiliate of DIFS.

The institution received a Satisfactory rating at the prior FDIC and Massachusetts Division of Banks CRA Performance Evaluation dated October 20, 2021, based on Interagency Large Institution Examination Procedures. The Lending Test was rated Satisfactory, and the Investment and Service Tests were rated High Satisfactory.

Operations

DIFS is headquartered in Dedham, Massachusetts and operates 13 branches in Bedford, Canton, Dedham (4), Needham, Norwood, Sharon, South Boston, Walpole (2), and Westwood. The bank also operates two loan production offices in Dedham and South Boston (opened June 2023). The bank has not closed any branches since the prior evaluation.

DIFS offers residential, commercial, and consumer lending products, with a primary focus on residential lending. The bank offers several residential mortgage programs with flexible down payment amounts and underwriting guidelines such as the First Time Homebuyers, Fannie Mae Home Ready, MassHousing, and Massachusetts Housing Partnership-One Mortgage programs. In addition to standard personal and business deposit products, the bank provides alternative banking services including internet and mobile banking, telephone banking services, electronic bill pay, and automated teller machines (ATMs).

Ability and Capacity

As of December 31, 2024, the bank had total assets of approximately \$2.5 billion. The bank's loans totaled approximately \$1.9 billion, representing 78.5 percent of total assets. Assets increased by approximately \$608.0 million or 32.4 percent since December 31, 2021 (the quarter preceding the last evaluation). Total loans increased by approximately \$555.0 million or 39.9 percent.

According to the bank's most recent Call Report, residential lending represented the majority of the loan portfolio, at 58.7 percent. The following table illustrates the loan portfolio distribution.

Loan Portfolio Distribution as of 12/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	288,285	14.8
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	990,373	50.8
Secured by Multifamily (5 or more) Residential Properties	153,350	7.9
Secured by Nonfarm Nonresidential Properties	339,662	17.4
Total Real Estate Loans	1,771,670	90.9
Commercial and Industrial Loans	129,295	6.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	530	0.0
Obligations of State and Political Subdivisions in the U.S.	46,695	2.4
Other Loans	774	0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	1,948,964	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet the credit needs of its assessment areas

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. DIFS designated one contiguous assessment area in the Boston-Cambridge-Newton, MA-New Hampshire (NH) Metropolitan Statistical Area (MSA). The assessment area encompasses Middlesex County in the Cambridge-Newton-Framingham, MA Metropolitan Division (MD), and Norfolk, Plymouth, and Suffolk Counties in the Boston, MA MD. Effective January 1, 2025, the bank expanded its assessment area to include full counties and removed the towns of Attleboro, Mansfield, and North Attleboro in the Providence-Warwick, RI-MA MSA.

The following sections discuss demographic and economic information relevant to the assessment area.

Economic and Demographic Data

The bank's assessment area consists of 857 census tracts with the following income designations according to the 2020 United States (U.S.) Census data:

- 77 low-income tracts
- 147 moderate-income tracts
- 288 middle-income tracts
- 303 upper-income tracts
- 42 tracts with no income designation

At the prior evaluation, examiners referred to census tract designations based on the 2015 American Community Survey (ACS), and the assessment area consisted of 432 census tracts; which included 53 low-income, 84 moderate-income, 118 middle-income, 165 upper-income census tracts, and 12 tracts with no income designations. Overall, the release of the 2020 U.S. Census data and adjustments to the assessment area resulted in the addition of 24 low-income census tracts, 63 moderate-income census tracts, 170 middle-income census tracts, 138 upper-income census tracts, and 30 census tracts with no income designation.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	857	9.0	17.2	33.6	35.4	4.9
Population by Geography	3,686,738	8.2	17.7	36.1	36.5	1.5
Housing Units by Geography	1,470,745	7.9	18.0	36.6	36.2	1.3
Owner-Occupied Units by Geography	825,218	3.0	13.3	39.6	43.5	0.6
Occupied Rental Units by Geography	557,932	14.8	24.5	32.7	25.8	2.1
Vacant Units by Geography	87,595	9.9	20.8	33.2	34.3	1.8
Businesses by Geography	437,797	5.3	14.1	33.2	45.7	1.7
Farms by Geography	7,277	2.5	13.2	40.3	43.3	0.7
Family Distribution by Income Level	858,599	21.8	15.7	19.8	42.7	0.0
Household Distribution by Income Level	1,383,150	25.6	14.0	16.6	43.8	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$552,179
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Gross Rent			\$1,665
			Families Below Poverty Level			5.8%
Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

The Geographic Distribution criterion compares the bank's home mortgage loans to the distribution of owner-occupied housing units. The number of owner-occupied housing units in each tract income category reflects the level of opportunities for home mortgage lending in those tracts. As shown in the previous table, only 3.0 percent of the owner-occupied housing units are in low-income tracts and 13.3 percent are in moderate-income tracts.

Examiners used the Federal Financial Institutions Examination Council (FFIEC)-updated median family income levels to analyze home mortgage lending under the Borrower Profile criterion. The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories in the bank's assessment area for 2022, 2023, and 2024.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
2024 (\$136,200)	<\$68,100	\$68,100 to <\$108,960	\$108,960 to <\$163,440	≥\$163,440
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
2024 (\$146,600)	<\$73,300	\$73,300 to <\$117,280	\$117,280 to <\$175,920	≥\$175,920
<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 represents more than one-third of all families in the assessment area (37.5 percent) and includes 5.8 percent that live below the poverty level. Comparing the median housing value in the assessment area to the income ranges for low- and moderate-income families, there may be limited opportunities for low- and moderate-income borrowers to qualify for home mortgage loans through conventional underwriting standards. Specifically, the median housing value of \$552,179 is nearly eight times the maximum income of low-income families and nearly five times the maximum income of moderate-income families. These factors limit home mortgage lending opportunities to low- and moderate-income borrowers in the assessment area and increase competition for home mortgage lending to these families.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans to businesses by gross annual revenue (GAR) to D&B data. According to D&B data from June 2024, 437,797 non-farm businesses operated in the assessment area. Most businesses are small, with 61.5 percent employing less than four employees and 91.8 percent operating from a single location. The following reflects the breakdown of businesses in the assessment area by GAR category:

- 88.9 percent have GARs of \$1.0 million or less,
- 4.1 percent have GARs greater than \$1.0 million, and
- 7.0 percent have unknown revenues.

According to D&B, major employment sectors in the assessment area include service industries (37.6 percent), followed by non-classifiable establishments (23.2 percent), finance, insurance, and real estate (12.3 percent), retail (9.1 percent), and construction (7.1 percent).

According to the U.S. Bureau of Labor Statistics, unemployment rates in the assessment area increased during the evaluation period. The unemployment rates in Plymouth County were generally above the national and statewide unemployment rate during the evaluation period. The unemployment rates in Middlesex, Norfolk, and Suffolk counties were generally below the national

and statewide rates. The following table illustrates the unemployment rates in the assessment area compared to the state and national unemployment rates throughout the evaluation period.

Unemployment Rates			
Area	2022 (%)	2023 (%)	2024 (%)
Middlesex County	3.0	3.0	3.6
Norfolk County	3.3	3.2	3.7
Plymouth County	3.9	3.7	4.2
Suffolk County	3.5	3.4	3.9
Massachusetts	3.5	3.7	4.1
United States	3.5	3.8	4.1
<i>Source: Bureau of Labor Statistics</i>			

Competition

DIFS faces a high level of competition for home mortgage loans among large national banks, community banks, credit unions, and mortgage companies in the assessment area. In 2022, aggregate home mortgage lending data showed 622 lenders originated or purchased 100,668 home mortgage loans in the assessment area. DIFS ranked 52nd with a 0.4 percent market share. The top four lenders, Community Bank, N.A., Guaranteed Rate, Inc., Leader Bank, and First Republic Bank, held a combined 18.3 percent of the market. Local institutions that ranked higher were Rockland Trust Company, Eastern Bank, Cambridge Savings Bank, Middlesex Savings Bank, The Washington Trust Company, Salem Five Cents Savings Bank, Needham Bank, Envision Bank, and HarborOne Bank. In 2023, 562 lenders originated or purchased 70,523 home mortgage loans. DIFS ranked 48th with a market share of 0.4 percent. The top four lenders, JP Morgan Chase Bank, N.A., Community Bank, N.A., Guaranteed Rate, Inc., and Leader Bank, N.A., held a combined 28.6 percent of the market. Local institutions that ranked higher were Rockland Trust Bank, Eastern Bank, Cambridge Savings Bank, Middlesex Savings Bank, The Washington Trust Company, Salem Five Cents Savings Bank, Needham Bank, Easthampton Savings Bank, Cape Cod Five Cents Savings Bank, and Main Street Bank.

The bank also faces a high level of competition for small business loans. In 2022, aggregate small business lending data showed 200 lenders originated or purchased 104,473 small business loans in the assessment area. DIFS ranked 56th with a 0.07 percent market share. The top five lenders, including American Express National Bank, Bank of America, N.A., JP Morgan Chase Bank, N.A., Capital One Bank (USA), N.A., and US Bank NA, collectively held 65.6 percent market share. In 2023, 190 lenders originated or purchased 102,216 loans in the assessment area. DIFS ranked 60th with a 0.07 percent market share. The top five lenders were similar large national institutions that collectively held 71.1 percent market share.

Community Contacts

As part of the evaluation process, examiners contact organizations operating in the assessment area to assist in identifying the credit and community development needs. This information helps

determine the responsiveness of local financial institutions to identified needs. It also shows available credit and community development opportunities.

Examiners contacted an organization focused on promoting economic development in southeastern Massachusetts and Rhode Island. The contact expressed a need for capital access to fund small business lending activities. The contact indicated that area financial institutions are generally responsive to community needs and support small business activities through donations and educational services. The contact also noted that bilingual services and financial literacy education would benefit the area. The contact suggested that financial institutions offer a loan forgiveness program for small business lending products, which could benefit low- and moderate-income communities.

Examiners also reviewed a recent contact with an organization that provides services to low-income individuals and families in communities across Southeastern Massachusetts, Cape, and Islands. The contact noted that approximately 40.0 percent of low-income individuals responded to a client survey that they are worse off now than before the COVID-19 Pandemic. The contact indicated that the top unmet needs of low-income individuals and families are the ability to pay for heat and utilities, affordable housing, access to affordable and nutritious food, transportation, assistance with financial emergencies, and early education and childcare. The contact noted support from several financial institutions. Additionally, the contact indicated areas where financial institutions could be more involved, such as offering Individual Development Accounts. The contact noted that these accounts were part of an effective state-funded program that helped individuals meet financial goals, such as saving for education or buying a first home. However, there are currently no resources to continue this program and assistance from banks would be helpful. Lastly, the contact noted that affordable housing continues to be a concern and support from financial institutions is needed.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined the primary community development needs of the assessment area are affordable housing and community services. The high housing costs and lower median family incomes support this conclusion. Banks can also help address credit needs for home mortgage and small business loans by creating and offering innovative and flexible loan programs.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 20, 2021, to the current evaluation dated March 31, 2025. Examiners used the Interagency Large Institution Examination Procedures to evaluate the bank's CRA performance. The Large Institution procedures include a Lending Test, Investment Test, and Service Test (see Appendices for a complete description). Examiners used full-scope procedures to evaluate the bank's CRA performance in its assessment area.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of originations during the evaluation period. The bank does not have any small farm loans in its loan portfolio and did not originate any small farm loans during the evaluation period.

For this evaluation, examiners analyzed and presented home mortgage data for 2021, 2022, 2023, and 2024. Examiners analyzed all home mortgage loans reported on the bank's 2021, 2022, 2023 and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank reported 797 home mortgage loans totaling \$549.9 million in 2021, 518 home mortgage loans totaling \$459.2 million in 2022, 365 home mortgage loans totaling \$299.3 million in 2023, and 295 home mortgage loans totaling \$293.2 in 2024. Examiners compared the bank's 2021, 2022, and 2023 home mortgage lending performance against demographic data and aggregate lending data. Examiners compared the bank's 2024 performance only to demographic data as aggregate data was not yet available.

Examiners also analyzed and presented small business loans reported on the bank's 2021, 2022, 2023, and 2024 CRA Loan Registers. The bank reported 313 small business loans totaling \$51.1 million in 2021, 85 small business loans totaling \$27.6 million in 2022, 73 loans totaling \$18.7 million in 2023, and 78 loans totaling \$21.4 million in 2024. Aggregate data and D&B demographic data provided a standard of comparison for small business loans in 2021, 2022, and 2023. Examiners compared the bank's 2024 performance only to demographic data as aggregate data was not yet available.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. Examiners weighed the number of originations more heavily than the dollar volume, as the number of loans better indicates the total number of individuals and businesses served. Home mortgage lending performance contributed more weight than small business lending performance in arriving at conclusions and ratings due to the bank's lending focus, origination activity, and loan portfolio distribution.

Examiners also reviewed retail products and services that benefit low- and moderate-income individuals or small businesses; delivery systems for providing retail banking services, including branches and alternative delivery systems; and the impact of any branch openings and closings during the evaluation period. The evaluation considered community development loans, qualified investments, and community development services, as well as innovative and/or flexible lending practices from the prior evaluation date to the current evaluation date.

Examiners obtained demographic and economic information referenced in this evaluation from the 2020 U.S. Census data, D&B, Moody's Analytics, and the U.S. Bureau of Labor Statistics. Financial Data is based on the December 31, 2024, Report of Income and Condition (Call Report).

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated Satisfactory. The bank's satisfactory or better performance under the Lending Activity, Assessment Area Concentration, Geographic Distribution, Borrower Profile, Innovative or Flexible Lending Practices, and Community Development Lending criteria support this conclusion. The following sections discuss the bank's performance under each criterion.

Lending Activity

DIFS's lending activity reflects adequate responsiveness to the assessment area's credit needs considering performance context, economic environment, and competition. Bank management noted the high-interest rate environment curtailed lending activity in both home mortgage and small business lending. While these challenges existed during the review period, the bank made a strategic focus to strengthen their innovative and flexible lending products and community development lending.

Home Mortgage Lending

The bank originated 707 home mortgage loans totaling \$507.0 million in the assessment area in 2021, 448 home mortgage loans totaling \$421.7 million in 2022, 306 home mortgage loans totaling \$273.3 million in 2023, and 248 loans for \$265.1 million in 2024. The declining trend in the bank's number of home mortgage loans originated from 2021 to 2024 is relatively consistent with the overall market trend, which was impacted by rising interest rates that lessened demand for home purchases and refinancing activity. Among HMDA-reporting financial institutions in the assessment area, the bank ranked 52nd out of 622 lenders with 0.45 percent market share in 2022 and 48th out of 562 lenders with a 0.44 percent market share in 2023. These market shares and rankings are similar to the bank's performance during the prior evaluation period. Given the significant competition in the assessment area and high interest rates during the review period, the bank's home mortgage lending activity reflects adequate responsiveness to assessment area credit needs.

Small Business Lending

DIFS originated 289 small business loans totaling \$44.8 million in the assessment area in 2021, 74 small business loans totaling \$23.9 million in 2022, 67 small business loans totaling \$15.9 million in 2023, and 72 loans for \$20.0 million in 2024. The higher volume of small business lending activity in 2021 was primarily attributed to Small Business Administration (SBA) Paycheck Protection Program (PPP) lending. The PPP ended on May 31, 2021. Among CRA-reporting financial institutions, the bank ranked 56th out of 200 lenders with 0.1 percent of the market share in 2022 and 60th out of 190 lenders with 0.07 percent market share in 2023. Given the significant competition in the assessment area and high interest rates during the review period, the bank's small business lending activity reflects adequate responsiveness to assessment area credit needs.

Assessment Area Concentration

DIFS made a substantial majority of its loans inside the assessment area. As the following table shows, the bank originated 86.5 percent of its home mortgage and 91.4 percent of its small business

loans inside the assessment area. By dollar amount, the lending concentration was similar with 91.3 percent of home mortgage loans and 88.0 percent of small business loans by dollar amount inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$ (000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000s)	%	\$ (000s)	%	
Home Mortgage										
2021	707	88.7	90	11.3	797	507,020	92.2	42,876	7.8	549,896
2022	448	86.5	70	13.5	518	421,664	91.8	37,556	8.2	459,220
2023	306	83.8	59	16.2	365	273,345	91.3	25,944	8.7	299,289
2024	248	84.1	47	15.9	295	265,070	90.4	28,127	9.6	293,197
Subtotal	1,709	86.5	266	13.5	1,975	1,467,099	91.3	134,503	8.7	1,601,602
Small Business										
2021	289	92.3	24	7.7	313	44,822	87.7	6,277	12.3	51,099
2022	74	87.1	11	12.9	85	23,914	86.4	3,752	13.6	27,666
2023	67	91.8	6	8.2	73	15,946	84.9	2,835	15.1	18,781
2024	72	92.3	6	7.7	78	20,015	93.3	1,435	6.7	21,450
Subtotal	502	91.4	47	8.6	549	104,697	88.0	14,299	12.0	118,996
Total	2,211	87.6	313	12.4	2,524	1,571,796	91.4	148,802	8.6	1,720,598
Source: Bank Data Due to rounding, totals may not equal 100.0										

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable penetration throughout the assessment area. Adequate home mortgage lending performance primarily supports this conclusion; however, small business lending performance was poor. Examiners focused on the percentage of loans in low- and moderate-income census tracts by number. Examiners considered the high level competition for home mortgage and small business loans as well as the very recent expansion of the assessment area, which added 87 low- and moderate-income census tracts to the assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. The bank's performance is supported by the positive trend in 2023 in both low- and moderate-income census tracts. The following table shows that the bank's performance was below aggregate performance and below demographics in 2021 and 2022 in both low- and

moderate-income census tracts. However, in 2023, the bank's percentage of lending in low- and moderate-income census tracts increased and was in-line or above the demographic comparators and aggregate performance.

Market share data supports this conclusion. According to 2023 aggregate data, there was strong competition in the low- and moderate-income census tracts in the assessment area. Specifically, 248 lenders originated 3,122 loans in low-income tracts, and DIFS ranked 30th. In moderate-income tracts, 187 lenders originated 9,374 home mortgage loans, and DIFS ranked 39th.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$ (000s)	%
Low						
2021	2.7	3.2	17	2.4	21,883	4.3
2022	3.0	3.8	10	2.2	5,971	1.4
2023	3.0	4.4	13	4.2	8,528	3.1
2024	3.0	--	7	2.8	4,591	1.7
Moderate						
2021	14.0	14.4	55	7.8	46,560	9.2
2022	13.3	13.7	36	8.0	47,284	11.2
2023	13.3	13.3	42	13.7	39,091	14.3
2024	13.3	--	22	8.9	18,524	7.0
Middle						
2021	42.3	40.5	213	30.1	123,302	24.3
2022	39.6	38.8	114	25.4	69,376	16.5
2023	39.6	35.8	77	25.2	36,052	13.2
2024	39.6	--	64	25.8	38,809	14.6
Upper						
2021	40.9	41.7	420	59.4	314,205	62.0
2022	43.5	42.9	281	62.7	292,460	69.4
2023	43.5	45.4	168	54.9	184,479	67.5
2024	43.5	--	151	60.9	198,138	74.8
Not Available						
2021	0.1	0.2	2	0.3	1,070	0.2
2022	0.6	0.8	7	1.6	6,573	1.6
2023	0.6	1.1	6	2.0	5,194	1.9
2024	0.6	--	4	1.6	5,008	1.9
Total						
2021	100.0	100.0	707	100.0	507,020	100.0
2022	100.0	100.0	448	100.0	421,664	100.0
2023	100.0	100.0	306	100.0	273,345	100.0
2024	100.0	--	248	100.0	265,070	100.0
Source: 2020 ACS; Bank Data; 2021, 2022, 2023 Aggregate Data; -- data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. As shown in the following table, the bank's performance in low-income census tracts was below aggregate performance in 2021, 2022, and 2023, and below demographics in all four years. The bank did not originate any loans in low-income census tracts in 2022 or 2024. In moderate-income census tracts, the bank's performance was also below aggregate performance and demographics. The bank has made efforts to improve small business lending activity in low- and moderate-income areas by introducing an online application process in 2025, performing targeted marketing, and offering flexible lending programs.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	5.9	5.7	6	2.1	2,085	4.7
2022	5.3	4.9	0	0.0	0	0.0
2023	5.3	4.8	1	1.5	250	1.6
2024	5.3	--	0	0.0	0	0.0
Moderate						
2021	14.9	16.2	20	6.9	5,879	13.1
2022	14.0	15.3	7	9.5	2,956	12.4
2023	14.1	15.2	5	7.5	1,504	9.4
2024	14.1	--	2	2.8	120	0.6
Middle						
2021	35.1	37.3	84	29.1	13,136	29.3
2022	33.3	36.0	23	31.1	7,724	32.3
2023	33.0	36.1	25	37.3	4,802	30.1
2024	33.2	--	31	43.1	8,027	40.1
Upper						
2021	43.6	40.4	178	61.6	23,332	52.1
2022	45.6	42.2	44	59.5	13,234	55.3
2023	45.8	42.3	35	52.2	9,090	57.0
2024	45.7	--	38	52.8	11,193	55.9
Not Available						
2021	0.4	0.4	1	0.3	390	0.9
2022	1.7	1.5	0	0.0	0	0.0
2023	1.7	1.5	1	1.5	300	1.9
2024	1.7	--	1	1.4	675	3.4
Total						
2021	100.0	100.0	289	100.0	44,822	100.0
2022	100.0	100.0	74	100.0	23,914	100.0
2023	100.0	100.0	67	100.0	15,946	100.0
2024	100.0	--	72	100.0	20,015	100.0
Source: 2021, 2022, 2023, 2024 D&B Data; 2022, 2023 Aggregate Data; Bank Data; -- data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among individuals of different income levels and businesses of different sizes. The bank's adequate performance in home mortgage and small business lending support this conclusion. Examiners focused on the percentage, by number, 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 home mortgage loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, the bank's performance in 2021 and 2022 was below the aggregate performance for both income levels. However, in 2023, even though there was an overall decrease in originated loans, the bank's performance showed an increase in the percentage of loans made to low-income borrowers and was more similar to aggregate performance. Similarly, in moderate-income census tracts, the bank's performance remained slightly below aggregate performance and demographics and was closest to aggregate performance in 2023.

As noted previously, there are relatively limited opportunities to originate home mortgage loans to low-income borrowers in the assessment area due to the median housing value of \$552,179, and a maximum income of \$73,300 for a low-income family. This may help explain the differences in the percentage of low-income families and aggregate and bank performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$ (000s)	%
Low						
2021	22.7	4.9	16	2.3	3,948	0.8
2022	21.8	6.5	11	2.5	2,545	0.6
2023	21.8	5.0	13	4.2	1,464	0.5
2024	21.8	--	8	3.2	1,866	0.7
Moderate						
2021	15.8	16.5	93	13.2	25,237	5.0
2022	15.7	17.5	56	12.5	15,286	3.6
2023	15.7	13.6	35	11.4	7,729	2.8
2024	15.7	--	25	10.1	6,295	2.4
Middle						
2021	19.1	22.0	118	16.7	45,037	8.9
2022	19.8	21.8	67	15.0	29,739	7.1
2023	19.8	19.8	52	17.0	18,011	6.6
2024	19.8	--	42	16.9	16,646	6.3
Upper						
2021	42.4	43.1	358	50.6	239,640	47.3
2022	42.7	41.3	194	43.3	147,898	35.1
2023	42.7	36.9	140	45.8	117,425	43.0
2024	42.7	--	109	44.0	88,765	33.5
Not Available						
2021	0.0	13.5	122	17.3	193,158	38.1
2022	0.0	12.9	120	26.8	226,195	53.6
2023	0.0	24.6	66	21.6	128,717	47.1
2024	0.0	--	64	25.8	151,498	57.2
Total						
2021	100.0	100.0	707	100.0	507,020	100.0
2022	100.0	100.0	448	100.0	421,664	100.0
2023	100.0	100.0	306	100.0	273,345	100.0
2024	100.0	--	248	100.0	265,070	100.0
Source: 2020 ACS; Bank Data; 2021, 2022, 2023 Aggregate Data; -- data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects, given the product lines offered by the institution, adequate penetration of loans to businesses with GARs of \$1.0 million or less. The bank's performance was below the percentage of businesses with GARs of \$1.0 million or less in all four years; however, the bank performed well in comparison to aggregate performance in 2021. The bank's overall lending volume dropped in 2022 and 2023, and the percentage of loans made to businesses with GARs of \$1.0 million or less fell below the aggregate performance, but the bank's performance showed improvement in 2024. Given the strong competition for small business loans in the assessment area, the bank's overall performance is adequate.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Business Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	87.0	43.3	160	55.4	15,153	33.8
2022	88.2	48.0	25	33.8	8,533	35.7
2023	89.3	51.8	18	26.9	5,098	32.0
2024	88.8	--	22	30.6	7,086	35.4
>\$1,000,000						
2021	5.0	--	128	44.3	29,558	65.9
2022	4.4	--	49	66.2	15,381	64.3
2023	4.0	--	49	73.1	10,848	68.0
2024	4.1	--	50	69.4	12,929	64.6
Revenue Not Available						
2021	7.9	--	1	0.3	111	0.2
2022	7.4	--	0	0.0	0	0.0
2023	6.8	--	0	0.0	0	0.0
2024	7.1	--	0	0.0	0	0.0
Total						
2021	100.0	100.0	289	100.0	44,822	100.0
2022	100.0	100.0	74	100.0	23,914	100.0
2023	100.0	100.0	67	100.0	15,946	100.0
2024	100.0	--	72	100.0	20,015	100.0
Source: 2021, 2022, 2023, 2024 D&B Data; 2022, 2023 Aggregate Data; Bank Data; -- data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs. During the evaluation period, the bank originated 79 innovative and/or flexible loans to individuals and small businesses, totaling approximately \$25.4 million. The majority of innovative and/or flexible loans for residential lending were through Fannie Mae HomeReady and MHP OneMortgage programs, and the largest activity of commercial lending was through the Federal Home Loan Bank (FHLB) Jobs New England program.

The bank awarded 83 grants, totaling approximately \$1.0 million, towards down payment and closing cost assistance primarily for low- and moderate-income homebuyers and eligible households. Grants are obtained through a partnering organization, are competitive, and require technical expertise by lending staff, demonstrating responsiveness and complexity.

The bank's flexible lending activity was comparable to two similarly situated institutions. The following table shows the bank's innovative and/or flexible lending activity by program and year.

Innovative or Flexible Lending Programs												
Type of Program	Partial 2021		2022		2023		2024		YTD 2025		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Fannie Mae HomeReady	0	0	1	250	2	540	9	2,548	0	0	12	3,338
MassHousing	2	854	1	186	0	0	1	365	0	0	4	1,405
MassHousing DPA Second	2	30	1	26	0	0	1	30	0	0	4	86
MassHousing Municipal Loan Program	0	0	3	840	0	0	0	0	0	0	3	840
MHP ONE Mortgage	1	507	6	1,763	6	1,451	4	889	0	0	17	4,610
MHP ONE+Boston	0	0	0	0	4	1,578	2	472	0	0	6	2,050
South Shore Habitat Humanity Loan Program	--	--	--	--	2	438	0	0	0	0	2	438
Total Residential	5	1,391	12	3,065	14	4,007	17	4,304	0	0	48	12,767
SBA 504	0	0	6	8,367	1	402	0	0	0	0	7	8,769
SBA 7a	0	0	0	0	0	0	1	396	0	0	1	396
Investing for the Long Term-Initiative (Invest MA)	--	--	--	--	--	--	8	1,549	2	202	10	1,751
FHLB Jobs New England	0	0	3	530	6	703	4	491	0	0	13	1,724
Total Commercial	0	0	9	8,897	7	1,105	13	2,436	2	202	31	12,640
Total Innovative or Flexible	5	1,391	21	11,962	21	5,112	30	6,740	2	202	79	25,407
Source: Bank Data; "--" program was not offered by the bank.												

The following table shows the bank's innovative and/or flexible down payment and closing cost assistance activity by year.

Down Payment and Closing Cost Grant Assistance												
Type of Program	Partial 2021		2022		2023		2024		YTD 2025		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
DIFS Down Payment/Closing Cost Assistance	2	4	8	11	12	15	7	8	0	0	29	38
City of Boston Down Payment/Closing Cost Assistance	1	4	2	12	6	172	4	106	0	0	13	294
FHLB New England Grant (GNP)	0	0	1	2	0	0	0	0	0	0	1	2
MassDREAMS Grants	--	--	1	40	5	126	5	142	0	0	11	308
Mass Bankers Association (MBA)	5	7	2	10	2	10	6	19	0	0	15	46
Federal Home Loan Bank Housing Our Workforce (HOW) Grants	0	0	2	39	4	100	2	47	0	0	8	186
Federal Home Loan Bank Equity Builder Program (EBP) grants	1	15	2	44	2	58	1	30	0	0	6	147
Totals	9	30	18	158	31	481	25	352	0	0	83	1,021
Source: Bank Data; “—” program was not offered by the bank.												

The following are examples of the bank’s innovative and flexible lending programs.

Residential Loan Programs

- **MHP ONE Mortgage:** The bank is a Massachusetts Housing Partnership Program (MHP) approved lender. The ONE Mortgage program serves first-time homebuyers and primarily low- and moderate-income individuals by offering interest rate discounts, reduced monthly payments, no limits on home appreciation, and no cost for private mortgage insurance. Borrowers must meet income guidelines to qualify for this reduced-rate financing.

- **South Shore Habitat For Humanity Loan Program:** Habitat for Humanity assists families and individuals in need of affordable housing. The bank financed two home mortgages through South Shore Habitat for Humanity's Loan Program. The loan program offers low- and moderate-income homeowners flexible mortgage terms, which in turn allows them to purchase a safe and affordable place to live.
- **Fannie Mae HomeReady Program:** The program offers low-income homebuyers a reduced down payment option and lower monthly payments. Borrower income eligibility limits are based upon the area median income of the census tract in which the property is located. Limits are aligned with Fannie Mae's regulatory housing goal of supporting low-income borrowers.

Commercial Loan Programs

- **Small Business Administration:** The SBA works with lenders to provide loans to small businesses by providing guarantees to reduce risk. SBA loans offer benefits such as flexible underwriting criteria, lower down payment requirements, longer terms, and promote business growth and job creation. During the evaluation period, the bank offered SBA 7a and SBA 504 loans that benefited small businesses.
- **Federal Home Loan Bank (FHLB) Jobs New England Program:** This program offers zero-percent financing for small business loans that create or preserve jobs, expand women-, minority-, or veteran-owned businesses, or otherwise stimulate the economy in communities within the assessment area. The bank has been participating in this program since 2017.

Grant Programs

- **FHLB Equity Builder Program:** The FHLB Equity Builder Program offers member banks grants to provide down payment, closing costs, homebuyer counseling, and rehabilitation assistance to households within 80.0 percent of the median family income limit.
- **Dedham Savings Down Payment/Closing Cost Assistance Program:** This program is for borrowers struggling to save for a down payment or to cover closing costs. Eligibility is determined based on financial need, in addition to a maximum income requirement of 100.0 percent of the U.S. Department of Housing and Urban Development's (HUD's) Area Median Income.
- **MassDREAMS Program:** In 2022, MassHousing and the MHP collaborated to create the MassDREAMS (Delivering Real Equity and Mortgage Security) grant program for residents that were negatively impacted by COVID-19 while trying to achieve homeownership. This federally funded program provides up to \$50,000 in assistance for first time homebuyers to be applied towards closing costs or the down payment of a home in communities such as Boston, Framingham, and Randolph.

Community Development Loans

The bank is a leader in providing community development loans. In total, the bank originated 50 community development loans totaling \$116.0 million during the evaluation period. These totals include 47 loans totaling \$92.4 million inside the assessment area and 3 loans totaling approximately \$23.6 million outside the assessment area, but in the broader statewide area. This level of community development lending equates to 5.3 percent of average total assets and 6.8 percent of average total loans since the prior evaluation. This level of community development lending activity, by number and dollar amount, was above two similarly situated institutions. During the prior evaluation period, DIFS made 48 community development loans totaling approximately \$61.3 million.

DIFS's community development lending was particularly responsive as a majority of the loans supported affordable housing and economic development, which examiners identified as the area's primary community development needs and opportunities.

The following table illustrates DIFS's qualified community development loans by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Partial 2021	1	1,394	0	0	0	0	0	0	1	1,394
2022	11	14,534	0	0	10	33,009	0	0	21	47,543
2023	9	22,028	3	2,349	1	1,364	0	0	13	25,741
2024	10	9,473	2	7,730	1	22,010	0	0	13	39,213
YTD 2025	2	2,164	0	0	0	0	0	0	2	2,164
Total	33	49,593	5	10,079	12	56,383	0	0	50	116,055
<i>Source: Bank Data</i>										

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

- In 2022, the bank participated with three other financial institutions in a \$41.2 million loan used to redevelop an existing property into an 18-unit apartment complex in Boston. The bank's portion was \$9.0 million. Of the 18 units to be constructed, 2 are designated as affordable for low- and moderate-income individuals. The bank's pro rata community development credit for its participation in this loan is \$999,000. This loan supports affordable housing for low- and moderate-income individuals in the assessment area.
- In 2023, the bank committed \$19.4 million to a public nonprofit affordable housing organization. In 2024, the bank committed \$169,740 in additional funds. The commitment allows the organization to provide loans to low- and moderate-income homebuyers, and for the creation and retention of affordable housing throughout the assessment area.
- In 2024, the bank originated a \$6.6 million loan to a nonprofit organization that provides nursing home care to low- and moderate-income individuals in Boston. A majority of the

residents rely on Medicaid to pay for nursing home services. The facility is also located within a moderate-income census tract of the assessment area. This loan supports community development services to low- and moderate-income individuals in the assessment area.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. The bank's performance under the Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria primarily support this conclusion. The following sections discuss the bank's performance under each criterion.

Investment and Grant Activity

DIFS has a significant level of qualified investments. During the evaluation period, the bank made 614 qualified investments and grants totaling approximately \$24.0 million, which represents 1.1 percent of average total assets and 6.7 percent of average total securities since the prior evaluation. The level of activity increased since the prior evaluation period when the bank made 305 qualified investments totaling \$17.1 million. In comparison to two similarly situated institutions, the bank's ratio of qualified investments to average total assets is higher than both, and the bank's ratio to average total securities is between that of the other two institutions.

The following sections detail the bank's Investment Test performance.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	6,302	2	3,500	2	1,127	0	0	9	10,929
2022	0	0	0	0	1	938	0	0	1	938
2023	3	6,256	2	2,905	0	0	0	0	5	9,161
2024	1	1,229	0	0	0	0	0	0	1	1,229
YTD 2025	0	0	0	0	2	146	0	0	2	146
Subtotal	9	13,787	4	6,405	5	2,211	0	0	18	22,403
Qualified Grants & Donations	66	349	521	1,211	9	17	0	0	596	1,577
Total	75	14,136	525	7,616	14	2,228	0	0	614	23,980
<i>Source: Bank Data</i>										

Equity and Debt Security Investments

The bank has 18 qualified equity and debt security investments totaling approximately \$22.4 million, including a mix of prior period investments and new investments made during the evaluation period. The following are examples.

Prior Period

- **Mortgage-backed Securities** – The bank holds four mortgage-backed securities from prior periods with a combined current book value of \$5.3 million. The securities are backed by residential mortgages to low- and moderate-income borrowers in the assessment area and support affordable housing.
- **Boston Community Loan Fund** – The bank holds an investment in this fund with a current book value of \$1.0 million. This fund provides financing to organizations that create affordable housing and provide community services for low-income individuals and communities. The financing helps support the renovation and creation of affordable rental and owner-occupied units for low- and moderate-income individuals and families. Additionally, the financing supports schools, housing, and commercial real estate in distressed communities.
- **CCM Community Impact Bond CRA Shares (formerly known as the CRA Qualified Investment Fund CRA Shares)** – This bank has two prior period investments in this fund with a combined current book value of \$3.5 million. The bank's investments are targeted to the Minority Community Advancement Racial Empowerment Strategy (Minority CARES), which makes investments that align with the values of social justice, improving the lives of those in historically marginalized communities, and increased economic opportunity for people of color. This investment supports community services for low- and moderate-income individuals in the bank's assessment area.

Current Period

- **Mortgage-backed Securities** – In 2023, the bank invested a total of \$6.3 million in three additional mortgage-backed securities. The securities are backed by residential mortgages to low- and moderate-income borrowers in the assessment area and support affordable housing.
- **MB Capital Fund V, LLC** – The bank committed \$2.0 million to this fund in 2022 and funded \$937,500 of its commitment during the evaluation period. The fund is managed by the Massachusetts Business Development Corporation and supports economic development. The objective of the fund is to provide growth capital to established small and mid-sized businesses to stimulate economic growth and promote job creation and retention for low- and moderate-income people and in low- and moderate-income geographies in New England.
- **IMB SBIC Partners I, L.P.** – The bank committed \$1.0 million and funded a total of \$145,623 of its commitment in 2025. The fund is a Small Business Investment Company (SBIC) Fund managed by a minority-owned private equity firm. The fund focuses on providing financing to lower middle market companies operating in the utility services and government contractor sectors. The bank's investment supports economic development in the broader regional area that includes the bank's assessment area.

Grants and Donations

The bank made 596 qualified donations totaling approximately \$1.6 million during the evaluation period, with the vast majority supporting community services. The total includes 134 donations totaling \$809,303 made through the bank's charitable foundation. The following are notable examples of the bank's qualified donations.

- **Local Food Pantries** – During the evaluation period, the bank made 46 donations totaling \$82,500 to food pantries in cities and towns throughout the assessment area, including Ashland, Bedford, Dedham, Framingham, Holbrook, Norwood, Quincy, Randolph, Stoughton, Walpole, Waltham, Westwood, Weymouth, and various Boston neighborhoods. These donations support community services for low- and moderate-income individuals provided through these organizations.
- **Fuel Assistance Programs** – In 2022 and 2024, the charitable foundation made donations totaling approximately \$50,000 to four nonprofit organizations to support fuel assistance programs for low- and moderate-income households in the assessment area.
- **Local Neighborhood, Economic, and Community Development Corporations** – During the evaluation period, the bank made 28 donations totaling \$155,223 to various neighborhood, economic, and community development corporations that focus on developing and preserving affordable housing, providing economic development opportunities, and stabilizing lower income neighborhoods. The organizations benefiting from the bank's donations serve the Boston neighborhoods of Allston, Brighton, Chinatown, Codman Square, Dorchester, Hyde Park, Jamaica Plain, Roslindale, and South Boston, as well as the Town of Brookline, and the City of Waltham.
- **Health and Social Services Consortium, Inc. (HESSCO)** – The bank made 10 donations totaling \$15,000 to this organization during the evaluation period. HESSCO serves 12 communities in Norfolk County and provides a range of services for older adults and their caregivers with a focus on those with greatest economic need, including low-income populations. These donations support the need for community services in the assessment area.
- **Metro Housing Boston** – The bank made three donations totaling \$7,500 to this organization during the evaluation period. Metro Housing Boston offers a wide range of programs and services to address various housing-related issues, including preventing evictions and homelessness, helping people find suitable housing, and making rent more affordable. The bank's donations help support affordable housing initiatives in the assessment area, specifically within the city of Boston.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs, with a variety of investments and qualified donations that directly support the primary community development needs in the assessment area. Affordable housing and community services continue to be

significant needs due to the high cost of housing in the area, and a significant portion of the bank's investments support these two needs.

Community Development Initiatives

DIFS does not use innovative and complex investments to support community development initiatives. The bank's qualified investments are commonly acquired investments that support community development needs.

SERVICE TEST

The Service Test is rated High Satisfactory. The bank's performance under the Changes in Branch Locations, Reasonableness of Hours and Services, and Community Development Services criteria primarily support this conclusion. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. The bank maintains 12 full-service branches, 1 limited-service branch, and 2 loan production offices within the assessment area. The bank also maintains 17 ATMs within the assessment area. The following table illustrates the distribution of branches and ATMs by tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	77	9.0	304,053	8.3	0	0.0	0	0.0
Moderate	147	17.2	652,899	17.7	1	7.7	1	5.9
Middle	288	33.6	1,329,428	36.1	2	15.4	2	11.8
Upper	303	35.4	1,346,562	36.5	10	76.9	14	82.4
NA	42	4.9	53,796	1.5	0	0.0	0	0.0
Total	857	100.0	3,686,738	100.0	13	100.0	17	100.0
<i>Source: 2020 ACS Data; Bank Data</i>								

As shown in the previous table, DIFS's branch and ATM distribution in low- and moderate-income census tracts is lower than the demographics. The bank has one branch in a moderate-income census tract, two branches in middle-income census tracts, and ten branches in upper-income census tracts. The bank does not have any branches in low-income census tracts. Since the prior evaluation, the bank expanded the assessment area, which added low- and moderate-income census tracts and shifted the population distribution. In addition, certain census tract income levels changed based on the 2020 U.S. Census, including the tract where the bank's Norwood branch is located. While the tract was previously middle-income, it is now a moderate-income tract.

Despite having only one branch in a low- or moderate-income census tract, the bank has branches that are accessible to low- and moderate-income portions of the assessment area. Specifically, the South Boston, East Dedham, and Dedham Square branches are in middle-income or upper-income census tracts that neighbor low- and/or moderate-income census tracts. In addition, each of these branches is accessible by Massachusetts Bay Transportation Authority (MBTA) bus and/or subway routes.

Examiners reviewed 2024 Deposit Market Share data to further assess the accessibility of DIFS's retail banking services within the assessment area. This data shows that 66 institutions operate 506 branches in the cities and towns in the assessment area that contain at least one low- or moderate-income census tract. DIFS operates two branches in cities or towns with low- or moderate-income census tracts and ranked 38th with a 0.06 percent market share. The top three institutions, with 133 total branches and a combined market share of 80.1 percent, are State Street Bank and Trust Company, Bank of America, N.A., and Citizens Bank, N.A., all much larger institutions.

In addition to branches and ATMs, the bank offers various alternative delivery systems to expand retail banking service access to all individuals, including low- and moderate-income individuals and families. These alternative delivery systems include the following.

- *Online and Mobile Banking:* The bank's online and mobile banking features allow 24/7 banking access including bill pay, funds transfers, statements, secure messaging, and service requests. As of December 2024, the bank had 17,900 mobile-banking customers and more than 18,400 customers enrolled in online banking (17,250 consumers and 1,150 businesses). Since the prior evaluation, these numbers have increased by 5,900 (or 49.2 percent) mobile banking customers and 3,200 (or 21.1 percent) online banking customers. The bank provides a free, online "Academy" where users can follow interactive guides and instructional videos on how to use the mobile and online banking services. Further, DIFS provides financial wellness tools through MX Personal Finance to mobile and online banking customers to assist with managing personal finances and budgeting.
- *ATMs:* Each of the bank's full-service branches has at least one 24-hour deposit-taking ATM. Five full-service branches offer drive-up ATM access, two of which only dispense cash. Additionally, the bank is a member of SUM and Allpoint ATM networks, which offer surcharge-free access to thousands of ATMs nationwide.
- *Telephone Banking and Live Chat:* The bank offers telephone banking services during normal business hours and a separate telephone banking service for use after-hours. The after-hours service assists with online banking and bill pay. Customers can also use the bank's text message or live chat feature for assistance.
- *Language Services:* The bank employs 20 staff members that speak a total of eight different languages, which allows the bank to extend its services to non-English speaking communities within the bank's assessment area. According to the 2020 U.S. Census, approximately 25.0 percent of the households in the assessment area's low- and moderate-

income census tracts are non-English speaking. These language services are critical to help make banking services more accessible to low- and moderate-income individuals.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.

The bank has not opened or closed any branches since the prior evaluation. In June 2023, the bank opened a loan production office at 472 West Broadway, South Boston, MA. The loan production office is in an upper-income census tract.

Reasonableness of Business Hours and Services

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

Four of the bank's branches are in senior living communities and have limited hours from 9:00 A.M. to 1:00 P.M. either one day or three days per week. Operating hours of the remaining branches are generally consistent, ranging from 9:00 A.M. to 4:00 P.M. on Monday, Tuesday, Wednesday, and Friday, and 9:00 A.M. to 6:00 P.M. on Thursday. Most of the branches, including the Norwood branch in a moderate-income census tract, have Saturday hours from 9:00 A.M. to 1:00 P.M.

The bank also offers drive-up services at five branches, including Norwood, ranging from 8:30 A.M. to 4:30 P.M. from Monday to Wednesday, 8:30 A.M. to 6:00 P.M. on Thursday, 8:30 A.M. to 5:00 P.M. on Friday, and 9:00 A.M. to 1:00 P.M. on Saturday.

The bank offers low-cost checking and savings accounts in partnership with the City of Boston's "Bank On" program, designed as safe and affordable alternatives to more costly check-cashing and related services. The bank's Start Up Checking account features a low minimum opening deposit, a low monthly maintenance fee, free online bill pay, account access via a debit card, Mobile Wallet, and Zelle®. The Start Up Savings Account is an interest-bearing account featuring a low minimum opening deposit and no monthly maintenance fees. The bank offers other accounts that do not have monthly maintenance fees including Student Checking, Free & Easy Checking, Interest Rewards Checking, Basic Business Checking, and Statement Savings accounts. The bank offers these products across the entire branch network, and they do not vary in a way that inconveniences any portions of the assessment area.

Community Development Services

The bank provides a relatively high level of community development services. During the evaluation period, 35 bank employees provided 85 instances of community development services to organizations that primarily serve low- and moderate-income individuals and small businesses.

Most of the bank's services were provided to organizations that support affordable housing and community services to low- and moderate-income individuals. The number of instances decreased since the prior evaluation period; however, the level of the bank's involvement in these services demonstrates responsiveness and commitment to the community development needs within the assessment area. The bank's level of community development services was higher than one similarly situated institution and lower than another.

The following table illustrates the bank's community development services by year and purpose.

Community Development Services				
Activity Year	Affordable Housing	Community Services	Economic Development	Totals
	#	#	#	#
Partial 2021	1	0	0	1
2022	10	7	3	20
2023	16	9	5	30
2024	15	8	5	28
YTD 2025	3	3	0	6
Total	45	27	13	85
<i>Source: Bank Data</i>				

The following are notable examples of community development services.

- Bank employees provided 23 financial education seminars, including First-Time Homebuyer Courses, Entrepreneurial Workshops, and Credit Seminars that primarily benefited low- and moderate-income individuals and small businesses. The bank collaborated with organizations including WATCH CDC, Codman Square Neighborhood Development Corporation, Allston Brighton Community Development Corporation, Urban Edge, NeighborWorks Housing Solutions, the Asian Community Development Corporation, Quincy Community Action Programs, the South Eastern Economic Development (SEED) Corporation, and the Massachusetts Affordable Housing Alliance (MAHA) to offer these services. These organizations primarily serve low- and moderate-income individuals and small businesses within the assessment area.
- The bank's CRA Officer serves on the Board of Directors for NeighborWorks® Housing Solutions (NHS), a nonprofit organization focused on helping individuals and families find stable, safe, affordable housing and providing housing resources and education in collaboration with public and private sector partners. Services include rental assistance, emergency financial assistance, shelter and homelessness prevention, first-time homebuyer education and counselling, financial coaching, foreclosure prevention, affordable residential and small business loans, and construction and management of high-quality rental housing across Southern Massachusetts.

- The bank's CRA Officer and a senior vice president (SVP) serve on the BankOn Boston Coalition, which brings together city, state, and federal government agencies, financial institutions, community organizations, and direct service providers such as financial coaches to guide and share information on BankOn Boston. Bank On Boston is part of a national initiative that helps residents achieve economic mobility with better access to financial services at low or no cost. The BankOn Boston Coalition analyzes the landscape of financial services offered throughout the city, gathers resident input, and establishes program processes and policies.
- The bank's CRA Officer serves as a committee member of the Brockton Housing Partnership, which was founded as a collaboration between community-based financial institutions and nonprofit social service organizations to assist low- and moderate-income neighborhoods in Brockton. The organization focuses on development and funding for affordable and market-rate housing, assisting with restoration and rehabilitation of housing, and educating consumers on financial literacy and the home-buying process.
- Three bank representatives have served key roles at local Habitat for Humanity organizations, which provide affordable homeownership opportunities for low- and moderate-income families and individuals. An SVP serves on the Board of Directors of South Shore Habitat for Humanity, which serves 32 cities and towns south and southwest of Boston. The same SVP and another bank representative also assisted with reviewing financial profiles to ensure applicants are low- or moderate-income. In addition, a bank vice president serves on the family selection committee for Habitat for Humanity of Greater Boston, which services the City of Boston and 25 surrounding municipalities.
- An SVP serves on the Board of Directors of a local housing authority that operates several housing assistance programs that provide direct housing options in government-owned developments or subsidized housing in privately-owned dwellings for low-income people.
- An SVP serves on the Board of SEED Corporation, a nonprofit corporation certified by the SBA. SEED offers educational programs, technical assistance, and financing options for new and existing small business owners to encourage economic development throughout Southeastern Massachusetts.

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. Examiners did not identify any evidence of 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. Examiners' review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the prior evaluation. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not identify any evidence of disparate treatment.

MINORITY APPLICATION FLOW

Examiners reviewed the bank's 2023 and 2024 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 ACS Census Data, the bank's assessment area contained a total population of 3.6 million individuals, of which 34.9 percent are minorities. The minority and ethnic population represented is 10.6 percent Asian, 10.5 percent Hispanic, 8.5 percent Black or African American, 5.1 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 application activity with that of the 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 following table for information on the bank's minority application flow as well as aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	DIFS 2023		Aggregate Data 2023	DIFS 2024	
	#	%		#	%
American Indian/ Alaska Native	1	0.3	0.2	0	0.0
Asian	26	6.6	9.7	17	5.4
Black/ African American	18	4.6	6.3	19	6.0
Hawaiian/Pacific Islander	0	0	0.2	0	0.0
2 or more Minority	2	0.5	0.2	1	0.3
Joint Race (White/Minority)	13	3.3	1.9	4	1.3
Total Racial Minority	60	15.3	18.5	41	13.0
White	211	53.8	50.6	172	54.4
Race Not Available	121	30.9	30.9	103	32.6
Total	392	100.0	100.0	316	100.0
ETHNICITY					
Hispanic or Latino	8	2.0	5.2	12	3.8
Joint (Hisp/Lat /Not Hisp/Lat)	3	0.7	1.5	2	0.6
Total Ethnic Minority	11	2.7	6.7	14	4.4
Not Hispanic or Latino	257	65.7	62.5	199	63.0
Ethnicity Not Available	124	31.6	30.8	103	32.6
Total	392	100.0	100.0	316	100.0

In 2023, the bank received 392 home mortgage loan applications from within its assessment area. Of these applications, the bank received 60 or 15.3 percent from racial minority applicants. The aggregate received 18.5 percent of its application from minority applicants. For the same period, the bank also received 11, or 2.7 percent, from ethnic groups of Hispanic origin within its assessment area and the aggregate received 6.7 percent.

In 2024, the overall application volume decreased to 316, primarily due to market conditions. Of these applications, the bank received 41 or 13.0 percent from racial minority applicants. The bank also received 14 applications, or 4.4 percent, from ethnic groups of Hispanic origin.

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

LARGE BANK PERFORMANCE CRITERIA

Lending Test

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

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

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

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

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

SCOPE OF EVALUATION

Dedham Institution for Savings	
Scope of Examination: A full scope review was performed for the following assessment area within the noted rated area: Massachusetts Rated Area: Boston-Cambridge-Newton, MA-NH MSA Assessment Area	
Time Period Reviewed:	October 21, 2021 – March 31, 2025
Products Reviewed: Home Mortgage Loans: 01/01/21 – 12/31/24 Small Business Loans: 01/01/21 – 12/31/24	

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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