

PUBLIC DISCLOSURE

June 2, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Eagle Bank
Certificate Number: 90191

350 Broadway
Everett, Massachusetts 02149

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 concerning the safety and soundness of this financial institution.

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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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) 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.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Background

Eagle Bank is a state-chartered mutual savings bank headquartered in Everett, Massachusetts (MA). The bank has one wholly owned subsidiary, Everett Securities Corporation. Eagle Bank received a Satisfactory rating from the FDIC and Massachusetts Division of Banks during its prior joint Performance Evaluation dated April 4, 2022, using Interagency Intermediate-Small Institution (ISI) Examination Procedures.

Operations

Eagle Bank operates five full-service branches, including the main office and primarily serves the eastern communities of MA. In addition to the main office in Everett, branches are in Boston (North End neighborhood), Everett, Lexington, and Middleton. The bank did not open or close any branches during the evaluation period.

The bank offers residential and commercial loan products with a primary focus on residential lending. Residential lending products include fixed- and adjustable-rate mortgages, construction loans, home equity loans, and credit cards. Commercial lending products include commercial real estate mortgages, land development financing, business lines of credit, term loans, and credit cards. The bank also offers consumer and commercial banking products which include checking and savings accounts, certificates of deposit, and money market accounts. Further, the bank offers alternative banking products which include automated teller machines (ATM), debit cards, online and mobile banking, electronic bill pay, mobile deposit, and merchant services for businesses.

Ability and Capacity

As of March 31, 2025, assets totaled \$636.4 million and included total loans of \$512.2 million and total securities of \$67.1 million. Deposits totaled approximately \$584.6 million. Since the prior evaluation, assets increased by \$84.7 million or 14.1 percent since December 31, 2021. Loans increased by \$132.4 million or 26.1 percent and securities decreased by 32.8 percent over the evaluation period. The following table illustrates the loan portfolio.

| Loan Portfolio Distribution as of 3/31/2025 | | |
|---|-----------------|--------------|
| Loan Category | \$(000s) | % |
| Construction, Land Development, and Other Land Loans | 44,636 | 8.7 |
| Secured by Farmland | 0 | 0.0 |
| Secured by 1-4 Family Residential Properties | 206,220 | 40.3 |
| Secured by Multifamily (5 or more) Residential Properties | 60,681 | 11.8 |
| Secured by Nonfarm Nonresidential Properties | 153,863 | 30.0 |
| Total Real Estate Loans | 465,400 | 90.9 |
| Commercial and Industrial Loans | 46,464 | 9.1 |
| Agricultural Production and Other Loans to Farmers | 0 | 0.0 |
| Consumer Loans | 358 | 0.0 |
| Obligations of State and Political Subdivisions in the U.S. | 0 | 0.0 |
| Other Loans | 14 | 0.0 |
| Less: Unearned Income | 0 | 0.0 |
| Total Loans | 512,236 | 100.0 |
| <i>Source: Reports of Condition and Income</i> | | |

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

DESCRIPTION OF ASSESSMENT AREA

Eagle Bank designated one contiguous assessment area, which contains municipalities from the Boston, MA, Metropolitan Division (MD) and the Cambridge-Newton, MA MD. These two MDs are part of the greater Boston-Cambridge-Newton, MA-New Hampshire Multistate Metropolitan Statistical Area (MSA). The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The bank's assessment area consists of 256 census tracts covering portions of Essex, Middlesex, and Suffolk Counties. The assessment area has not changed since the prior evaluation. The following table details the towns and cities in the bank's assessment area.

| Assessment Area Cities and Towns | | | |
|---|------------|----------|---------------|
| Essex County | | | |
| Beverly | Danvers | Lynn | Lynnfield |
| Middleton | Nahant | Peabody | Salem |
| Saugus | Swampscott | | |
| Middlesex County | | | |
| Arlington | Burlington | Everett | Lexington |
| Malden | Medford | Melrose | North Reading |
| Reading | Somerville | Stoneham | Wakefield |
| Wilmington | Winchester | Woburn | |
| Suffolk County | | | |
| Boston* | Chelsea | Revere | Winthrop |
| *Boston contains the following neighborhoods: Charlestown, East Boston, Boston, and the North End | | | |

The 256 census tracts reflect the following income designation according to the 2020 American Community Survey (ACS) data:

- 26 low-income census tracts,
- 71 moderate-income census tracts,
- 88 middle-income census tracts,
- 62 upper-income census tracts,
- 9 census tracts with no income designation.

The low- and moderate-income census tracts are located in Arlington, Beverly, Boston, Chelsea, Danvers, Everett, Lynn, Malden, Medford, Melrose, Peabody, Revere, Salem, Saugus, Somerville, Swampscott, Winthrop, and Woburn. The assessment area also contains 23 census tracts that are designated as Qualified Opportunity Zones (QOZ) by the United States Department of Treasury which are designated economically distressed communities. These communities are identified with the intent of creating economic development and jobs. Beverly, Boston, Chelsea, Everett, Lynn, Malden, Medford, Peabody, Revere, Salem, Saugus, Somerville, and Winthrop all contain QOZs.

The following table illustrates 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) | 256 | 10.2 | 27.7 | 34.4 | 24.2 | 3.5 |
| Population by Geography | 1,128,134 | 10.3 | 28.0 | 34.4 | 26.1 | 1.1 |
| Housing Units by Geography | 446,579 | 10.0 | 27.0 | 35.9 | 26.0 | 1.2 |
| Owner-Occupied Units by Geography | 238,176 | 4.8 | 22.0 | 38.6 | 33.7 | 0.8 |
| Occupied Rental Units by Geography | 187,186 | 16.5 | 33.0 | 32.2 | 16.6 | 1.6 |
| Vacant Units by Geography | 21,217 | 9.8 | 29.4 | 37.9 | 21.3 | 1.6 |
| Businesses by Geography | 120,515 | 8.0 | 26.1 | 36.4 | 28.5 | 1.0 |
| Farms by Geography | 1,806 | 7.9 | 27.7 | 35.5 | 27.7 | 1.1 |
| Family Distribution by Income Level | 260,931 | 25.4 | 17.7 | 20.2 | 36.7 | 0.0 |
| Household Distribution by Income Level | 425,362 | 28.1 | 15.2 | 17.7 | 39.1 | 0.0 |
| Median Family Income MSA - 14454 Boston, MA | | \$112,607 | Median Housing Value | | | \$532,441 |
| Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA | | \$121,481 | Median Gross Rent | | | \$1,604 |
| | | | Families Below Poverty Level | | | 6.6% |
| 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. | | | | | | |

According to 2024 D&B data, 120,515 non-farm businesses operate in the assessment area. The following reflects gross annual revenues (GARs) for these businesses.

- 89.9 percent of businesses have \$1.0 million or less,
- 3.6 percent of businesses have more than \$1.0 million, and
- 6.5 percent have unknown revenues

Service industries represent the largest portion of businesses at 36.5 percent; followed by non-classifiable establishments (22.9 percent); finance, insurance & real estate (10.8 percent); retail trade (10.0 percent); construction (8.7 percent); transportation, communication (4.2 percent); manufacturing (2.3 percent); and agriculture, forestry & fishing (1.5 percent). In addition, 92.5 percent of area businesses operate from a single location and 62.5 percent of area businesses employ four or fewer employees.

Data obtained from the United States Bureau of Labor Statistics indicates that as of December 2024, the MA unemployment rate was 4.6 percent. The unemployment rates in Essex, Middlesex, and Suffolk County were 4.2 percent, 3.7 percent, and 4.0 percent, respectively.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. According to demographic data, 53.3 percent of the 446,579 housing units are owner-occupied, which limits the bank's opportunities for home mortgage lending.

Additionally, 26.8 percent of owner-occupied units are in low- and moderate-income census tracts, which further limits the bank's lending opportunities in those tracts.

Examiners used the 2022, 2023, and 2024 Federal Financial Institutions Examination Council (FFIEC)-updated median income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the income categories for the assessment area.

| Median Family Income Ranges | | | | |
|---|------------------------|------------------------------------|-----------------------------------|------------------------|
| Median Family Incomes | Low <50% | Moderate 50% to <80% | Middle 80% to <120% | Upper ≥120% |
| Boston, MA Median Family Income (14454) | | | | |
| 2022 (\$129,500) | <\$64,750 | \$64,750 to <\$103,600 | \$103,600 to <\$155,400 | ≥\$155,400 |
| 2023 (\$136,900) | <\$68,450 | \$68,450 to <\$109,520 | \$109,520 to <\$164,280 | ≥\$164,280 |
| 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 home mortgage loans to the percentage of families. The bank's assessment area's population consists of 43.1 percent who are considered low- or moderate-income and 6.6 percent of the families are living below the poverty line. Based on the median housing value of \$532,441 in the assessment area, the opportunities for home mortgage lending to low- and moderate-income families are limited.

Competition

The bank operates in a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2024, 52 financial institutions operated 383 branches within the assessment area. Of these institutions, Eagle Bank ranked 31st with 0.1 percent market share. The top three financial institutions were State Street Bank and Trust; Bank of America N.A.; and Citizens Bank, N.A., holding 81.6 percent of the market share by deposit.

The bank's assessment area is highly competitive for home mortgage lending. According to 2023 aggregate lending data, 474 lenders originated or purchased 28,535 home mortgage loans in the assessment area. Eagle Bank ranked 75th with a market share of 0.2 percent. The top three lenders in the assessment area by market share were Citizens Bank, N.A. (8.3 percent); JP Morgan Chase Bank, N.A. (7.3 percent); and Eastern Bank (4.5 percent).

Eagle Bank is not required to collect or report small business lending data and elected not to do so. Therefore, the analysis of small business lending data under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the competition level for small business loans and is included for performance context. Aggregate lending for 2023 shows 182

lenders purchased or originated 86,527 small business loans within the assessment area, indicating a high level of competition. The top three lenders were American Express, N.A. (31.1 percent); JP Morgan Chase Bank, NA (15.9 percent); and Bank of America, NA (12.0 percent).

Community Contact

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

Examiners contacted a representative from a local area housing corporation that assists low- and moderate-income borrowers in purchasing homes. The contact discussed the need for affordable housing and the limited ability for low- and moderate-income individuals and families to qualify for traditional lending due to rising housing costs. The contact also discussed the need for services for those that speak English as a second language. The contact explained that with the population changes, there has been an influx of Spanish and Portuguese speaking individuals who would benefit from financial literacy and services in languages other than English.

Credit and Community Development Needs and Opportunities

Examiners considered economic and demographic data and information provided by the community contact and the bank to determine the assessment area's primary credit and community development needs. Examiners determined that needs and opportunities exist for the bank to increase access to affordable housing, financial literacy, and economic development. High housing costs, low housing stock, and rising interest rates make it difficult for low- and moderate-income families to find affordable housing. Examiners also identified a need for increased community development services provided in languages other than English as the population in the assessment area becomes more diverse.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated April 4, 2022, to the current evaluation dated June 2, 2025. Examiners used Interagency ISI-Examination Procedures to evaluate Eagle Bank's CRA performance. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test.

Bank's must achieve at least a Satisfactory rating under each test to receive an overall Satisfactory rating. 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 small business loans based on its business strategy and the number and dollar volume of originated or purchased

loans during the evaluation period. No other loans, such as consumer or small farm loans, represented major product lines and provided no material support for conclusions or ratings. Therefore, no other loan types will be analyzed or presented.

For the Lending Test, examiners analyzed home mortgage loans originated or purchased from January 1, 2022, through December 31, 2024, which the bank reported on its 2022, 2023, and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). Eagle Bank originated or purchased 92 home mortgage loans totaling \$65.6 million in 2022, 91 loans totaling \$79.9 million in 2023, and 70 loans totaling \$69.7 million in 2024. Eagle Bank is not required to collect or report small business data. Examiners reviewed and considered all 24 small business loans originated in 2024 totaling \$9.4 million. Examiners placed more weight on home mortgage lending when drawing conclusions due to higher origination activity compared to small business lending.

For the Community Development Test, examiners reviewed community development information from the last evaluation date of April 4, 2022, to the current evaluation date of June 2, 2025. Examiners considered qualified community development loans, qualified investments and donations, and community development services.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Eagle Bank demonstrated reasonable performance under the Lending Test. The bank's performance under the LTD Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria support this conclusion. The following sections discuss the bank's overall performance for each Lending Test component.

Loan-to-Deposit Ratio

The LTD is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD Ratio, calculated from Call Report data, averaged 85.2 percent over the past 11 calendar quarters from June 30, 2022, to March 31, 2025. The LTD ratio ranged from a low of 76.5 percent on March 22, 2022, to a high of 93.9 percent on December 31, 2024. The following table presents the LTD ratio for Eagle Bank compared to three similarly situated institutions. Examiners selected these similarly situated institutions based on asset size, geographic location, and lending focus. Eagle Bank's LTD ratio was less than that of two institutions and greater than one.

| Loan-to-Deposit (LTD) Ratio Comparison | | |
|--|--|--|
| Bank | Total Assets as of 3/31/2025 (\$000s) | Average Net LTD Ratio (%) |
| Eagle Bank | 642,633 | 84.5 |
| Everett Co-operative | 1,451,779 | 112.8 |
| Reading Co-operative Bank | 724,336 | 93.7 |
| The Savings Bank | 833,245 | 79.5 |
| <i>Source: Reports of Condition and Income 6/30/2022 – 3/31/2025</i> | | |

Assessment Area Concentration

The bank originated a majority of its home mortgage and small business loans, by number and dollar amount, inside the assessment area. Although a majority of the bank's small business lending by dollar was outside of the assessment area, examiners focused on the number of loans as this is a better indicator of the number of small businesses served in the assessment area. Please refer to the following table.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|--|-----------------|------|---------|------|----------------|------------------------|------|----------|------|-------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans | | | | Total (000) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ (000) | % | \$ (000) | % | |
| Home Mortgage | | | | | | | | | | |
| 2022 | 55 | 59.8 | 37 | 40.2 | 92 | 39,231 | 59.7 | 26,459 | 40.3 | 65,690 |
| 2023 | 47 | 51.6 | 44 | 48.4 | 91 | 41,981 | 52.5 | 37,921 | 47.5 | 79,902 |
| 2024 | 34 | 48.6 | 36 | 51.4 | 70 | 31,442 | 45.1 | 38,284 | 54.9 | 69,726 |
| Subtotal | 136 | 53.8 | 117 | 46.2 | 253 | 112,654 | 52.3 | 102,664 | 47.7 | 215,318 |
| Small Business | 16 | 66.7 | 8 | 33.3 | 24 | 4,595 | 48.7 | 4,846 | 51.3 | 9,441 |
| Total | 152 | 54.9 | 125 | 45.1 | 277 | 117,249 | 52.2 | 107,510 | 47.8 | 224,759 |
| Source: HMDA Reported Data, Bank Data Due to rounding, totals may not equal 100.0 | | | | | | | | | | |

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment area. The bank's reasonable performance of home mortgage lending and excellent small business lending in low- and moderate-income census tracts support this conclusion. Examiners focused on the percentage of loans by number in low- and moderate-income census tracts.

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank's performance in low-income census tracts increased and exceeded demographics throughout the evaluation period. Additionally, in 2023, the bank's performance also exceeded that of the aggregate. Conversely, lending in the moderate-income tracts fluctuated during the evaluation period within a decline from 2023 to 2024. Further, the bank's 2022 lending was less than both aggregate and demographics, but greater than both in 2023.

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|--|-----------------------------------|------------------------------|-----------|--------------|---------------|--------------|
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2022 | 4.8 | 6.8 | 3 | 5.5 | 1,129 | 2.9 |
| 2023 | 4.8 | 7.7 | 4 | 8.5 | 2,262 | 5.4 |
| 2024 | 4.8 | -- | 6 | 17.6 | 4,825 | 15.3 |
| Moderate | | | | | | |
| 2022 | 22.0 | 23.3 | 11 | 20.0 | 14,195 | 36.2 |
| 2023 | 22.0 | 22.8 | 16 | 34.0 | 10,619 | 25.3 |
| 2024 | 22.0 | -- | 9 | 26.5 | 8,080 | 25.7 |
| Middle | | | | | | |
| 2022 | 38.6 | 36.8 | 25 | 45.5 | 10,609 | 27.0 |
| 2023 | 38.6 | 36.0 | 15 | 31.9 | 11,873 | 28.3 |
| 2024 | 38.6 | -- | 13 | 38.2 | 6,717 | 21.4 |
| Upper | | | | | | |
| 2022 | 33.7 | 32.1 | 16 | 29.1 | 13,299 | 33.9 |
| 2023 | 33.7 | 32.4 | 11 | 23.4 | 16,627 | 39.6 |
| 2024 | 33.7 | -- | 6 | 17.6 | 11,821 | 37.6 |
| Not Available | | | | | | |
| 2022 | 0.8 | 1.0 | 0 | 0.0 | 0 | 0.0 |
| 2023 | 0.8 | 1.1 | 1 | 2.1 | 600 | 1.4 |
| 2024 | 0.8 | -- | 0 | 0.0 | 0 | 0.0 |
| Total | | | | | | |
| 2022 | 100.0 | 100.0 | 55 | 100.0 | 39,231 | 100.0 |
| 2023 | 100.0 | 100.0 | 47 | 100.0 | 41,981 | 100.0 |
| 2024 | 100.0 | -- | 34 | 100.0 | 31,442 | 100.0 |
| Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

Small Business

The geographic distribution of small business loans reflects excellent dispersion. In 2024, the bank's performance in low- and moderate-income census tracts exceeded the percentage of small businesses in those tracts. The following table illustrates the bank's lending by census tract income designation.

| Geographic Distribution of Small Business Loans | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Tract Income Level | % of Businesses | # | % | \$(000s) | % |
| Low | 8.0 | 3 | 18.7 | 1,525 | 33.2 |
| Moderate | 26.1 | 5 | 31.3 | 872 | 19.0 |
| Middle | 36.4 | 1 | 6.3 | 880 | 19.1 |
| Upper | 28.5 | 7 | 43.7 | 1,318 | 28.7 |
| Not Available | 1.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 16 | 100.0 | 4,595 | 100.0 |
| <i>Source: 2024 D&B Data; Bank Data</i> | | | | | |

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank's reasonable performance in home mortgage lending to low- and moderate-income borrowers and small businesses with GARs of \$1.0 million or less supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small businesses with GARs of \$1.0 million or less.

Home Mortgage

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is reasonable. As the following table illustrates, the bank's lending to low-income borrowers declined during the evaluation period. In 2022, the bank's lending was greater than the aggregate but fell below aggregate in 2023. In all three years, the bank's lending to low-income borrowers was less than the aggregate. However, a family earning less than \$73,300 would have difficulty purchasing a home in the assessment area considering conventional underwriting standards and the median housing value of \$532,441. Based on these factors, the disparity in lending to low-income families and the demographic data is considered reasonable due to the limited lending opportunities that exist for these families.

In lending to moderate-income borrowers, the bank's performance fluctuated during the evaluation period. During 2022 and 2023, the bank's lending was less than the aggregate. Further, during the evaluation period, the bank's lending was less than demographics.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|--|---------------|------------------------------|-----------|--------------|---------------|--------------|
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2022 | 25.4 | 6.9 | 6 | 10.9 | 1,344 | 3.4 |
| 2023 | 25.4 | 5.2 | 2 | 4.3 | 230 | 0.5 |
| 2024 | 25.4 | -- | 0 | 0.0 | 0 | 0.0 |
| Moderate | | | | | | |
| 2022 | 17.7 | 18.3 | 5 | 9.1 | 1,705 | 4.3 |
| 2023 | 17.7 | 14.8 | 3 | 6.4 | 721 | 1.7 |
| 2024 | 17.7 | -- | 6 | 17.6 | 1,545 | 4.9 |
| Middle | | | | | | |
| 2022 | 20.2 | 22.9 | 10 | 18.2 | 4,138 | 10.5 |
| 2023 | 20.2 | 21.8 | 11 | 23.4 | 6,948 | 16.6 |
| 2024 | 20.2 | -- | 3 | 8.8 | 1,194 | 3.8 |
| Upper | | | | | | |
| 2022 | 36.7 | 37.7 | 17 | 30.9 | 10,424 | 26.6 |
| 2023 | 36.7 | 36.4 | 13 | 27.7 | 10,242 | 24.4 |
| 2024 | 36.7 | -- | 11 | 32.4 | 7,801 | 24.8 |
| Not Available | | | | | | |
| 2022 | 0.0 | 14.2 | 17 | 30.9 | 21,620 | 55.1 |
| 2023 | 0.0 | 21.8 | 18 | 38.3 | 23,840 | 56.8 |
| 2024 | 0.0 | -- | 14 | 41.2 | 20,903 | 66.5 |
| Total | | | | | | |
| 2022 | 100.0 | 100.0 | 55 | 100.0 | 39,231 | 100.0 |
| 2023 | 100.0 | 100.0 | 47 | 100.0 | 41,981 | 100.0 |
| 2024 | 100.0 | -- | 34 | 100.0 | 31,442 | 100.0 |
| Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0% | | | | | | |

Small Business

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1.0 million or less. In 2024, the bank originated 75.0 percent of its small business loans to those businesses. Although the bank's performance in lending to businesses with GARs of \$1.0 million or less is below the percentage of those businesses in the assessment area, the high level of competition that the bank faces further support the bank's reasonable performance. The following table illustrates the bank's lending to businesses by GARs.

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Businesses | # | % | \$(000s) | % |
| ≤ \$1,000,000 | 89.9 | 12 | 75.0 | 4,055 | 88.2 |
| > \$1,000,000 | 3.6 | 4 | 25.0 | 540 | 11.8 |
| Revenue Not Available | 6.6 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 16 | 100.0 | 4,595 | 100.0 |
| <i>Source: 2024 D&B Data; Bank Data</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

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. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans

Eagle Bank originated one community development loan totaling \$900,000 through the Small Business Administration (SBA) 504 Certified Development Company (CDC) Program. The SBA 504 CDC Program is an economic development program offering small business financing while promoting job growth and creating jobs. This program provides approved small businesses with long-term, fixed-rate financing for acquiring fixed assets for business expansion or modernization. The loan provided financing for a small business operating in a low-income area.

This one loan represented 0.1 percent of average total assets and 0.2 percent of average total loans. The number and dollar amount of community development loans decreased since the prior evaluation. During the prior evaluation, the bank originated two community development loans totaling \$2.0 million. When compared to similarly situated institutions, the bank's current performance trailed all three institutions by number and dollar amount. Given the bank's comparatively smaller asset size, the bank demonstrates a reasonable level of performance and community responsiveness relative to these similarly situated institutions.

Qualified Investments

Eagle Bank made 41 qualified investments totaling approximately \$368,000 during the evaluation period. This activity level represents 0.1 percent of average total assets and 0.6 percent of average total securities. During the prior evaluation, the bank made 45 qualified investments totaling \$407,650. Despite a slight decline in the number and dollar amount of qualified investments, the bank's current performance is comparable to their previous performance, which was 0.1 percent of

average total assets and 0.5 percent of average total securities. Additionally, the bank exceeded their previous evaluation's performance of qualified donations by dollar amount. When compared to similarly situated institutions, the bank's qualified investments were in line with two institutions and below one. The bank demonstrates responsiveness to opportunities for qualified investments that support community needs.

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

| Qualified Investments | | | | | | | | | | |
|------------------------------|--------------------|------------|--------------------|-----------|----------------------|-----------|-------------------------|-----------|-----------|------------|
| Activity Year | Affordable Housing | | Community Services | | Economic Development | | Revitalize or Stabilize | | Totals | |
| | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) | # | \$ (000s) |
| Prior Period | 1 | 250 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 250 |
| 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| YTD 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 1 | 250 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 250 |
| Qualified Grants & Donations | 11 | 23 | 29 | 96 | 0 | 0 | 0 | 0 | 40 | 118 |
| Total | 12 | 273 | 29 | 96 | 0 | 0 | 0 | 0 | 41 | 368 |
| <i>Source: Bank Data</i> | | | | | | | | | | |

Equity Investment

The following is the prior period equity investment.

- ***Access Capital Strategies Community Investment Fund*** - This fund invests in mortgage-backed securities secured by mortgages made to low-income individuals residing in the assessment area. The bank purchased this investment in 1999, and the current book value is \$250,000 as of December 31, 2024.

Donations

The following are notable examples of the bank's qualified donations.

- ***Mission of Deeds*** – Mission of Deeds is a non-profit organization that provides housing essentials to low- and moderate-income individuals. The organization also provides beds, furniture, kitchen essentials, and household goods to underserved communities. The bank donated \$4,000 in 2025.
- ***Bread of Life (BOL)*** - BOL is a non-profit organization that addresses food insecurity for the homeless and low-income individuals. The organization provides over 1.5 million pounds of free food a year for disadvantaged families, individuals, youth, and senior citizens in the North metro Boston area. Services provided include food pantries and mobile market; prepared and congregate meals; grocery delivery to mobility-impaired senior citizens and

disabled residents; nutrition backpack distribution to at-risk Everett public school youth; food delivery to homeless individuals and families in shelter. The bank donated \$5,000 in 2022.

- ***Housing Corporation of Arlington (HCA)*** – HCA is a non-profit organization that provides affordable housing to individuals who earn less than 60 percent of the area median income. HCA also provides homelessness prevention programs to individuals in crisis and numerous social services to support the creation of a supportive and equitable community. The bank donated \$2,500 in 2025.

Community Development Services

Eagle Bank provided 38 instances of financial expertise or financial assistance to 9 community development organizations within the assessment area, representing a decline since the previous evaluation. During the prior evaluation, the bank provided 52 instances to 14 organizations. When compared to similarly situated institutions, the bank outperformed two institutions and fell below the other institution. 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 | Revitalize or Stabilize | Totals |
| | # | # | # | # | # |
| 2022 | 4 | 4 | 0 | 0 | 8 |
| 2023 | 4 | 6 | 0 | 0 | 10 |
| 2024 | 5 | 7 | 0 | 0 | 12 |
| YTD 2025 | 1 | 7 | 0 | 0 | 8 |
| Total | 14 | 24 | 0 | 0 | 38 |
| <i>Source: Bank Data</i> | | | | | |

The following are notable examples of examples of employee involvement in community development services.

- ***Action for Boston Community Development, Inc. (ABCD)*** – ABCD is a non-profit organization that provides individuals with the necessary tools and resources to move from poverty to stability. Employees presented on Financial Exploitation of Elders for the underserved and at-risk seniors in the community.
- ***Northshore Community Action Program*** – This organization serves low-income individuals and families who are facing a period of crisis in their lives. Employees presented various financial topics including the benefits of credit, how to apply for credit, the effects of credit scores, and how to calculate interest.
- ***Citizens Inn*** – Citizens Inn’s mission is to break the patterns of instability that lead to homeless and hunger by targeting low- and moderate-income individuals and families who are experiencing food insecurity and housing instability. Employees presented FDIC Money

Smart Curriculum to individuals who reside in the organization's affordable rental properties.

The bank currently maintains two branches and two deposit-taking ATMs in two separate moderate-income census tracts, demonstrating sufficient availability of banking services to low- and moderate-income individuals.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with 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 Massachusetts Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. Examiners conducted the fair lending review in accordance with the FFIEC Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not note any evidence of disparate treatment.

MINORITY APPLICATION FLOW

Examiners reviewed the bank's 2023 and 2024 HMDA LARs to determine if the bank's application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to 2020 U.S. Census data, the bank's assessment area contained a total population of 1,128,134 individuals of which 37.0 percent are minorities. The assessment area's minority and ethnic population consists of 20.1 percent Other, 17.0 percent Hispanic or Latino, 8.6 percent Asian, 5.7 percent Black/African American, 0.4 percent American Indian or Alaskan Native, and less than 0.1 percent Native Hawaiian or Pacific Islander.

Examiners compared the bank's 2023 and 2024 application level to the aggregate. This comparison assists in deriving reasonable expectations for the application rate 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 the aggregate lenders in the bank's assessment area.

| RACE | 2023 | | 2023 Aggregate Data | 2024 | |
|--------------------------------|-----------|--------------|---------------------------|-----------|--------------|
| | # | % | | # | % |
| American Indian/ Alaska Native | 0 | 0.0 | 0.3 | 0 | 0.0 |
| Asian | 6 | 9.4 | 9.8 | 2 | 3.8 |
| Black/ African American | 2 | 3.1 | 3.6 | 2 | 3.8 |
| Hawaiian/Pacific Islander | 0 | 0.0 | 0.2 | 0 | 0.0 |
| 2 or more Minority | 0 | 0.0 | 0.1 | 0 | 0.0 |
| Joint Race (White/Minority) | 0 | 0.0 | 2.1 | 1 | 1.9 |
| Total Racial Minority | 8 | 12.5 | 16.1 | 5 | 9.6 |
| White | 36 | 56.3 | 53.7 | 27 | 51.9 |
| Race Not Available | 20 | 31.2 | 30.2 | 20 | 38.5 |
| Total | 64 | 100.0 | 100.0 | 52 | 100.0 |
| ETHNICITY | | | | | |
| Hispanic or Latino | 8 | 12.5 | 9.5 | 1 | 1.9 |
| Joint (Hisp/Lat /Not Hisp/Lat) | 0 | 0.0 | 1.7 | 4 | 7.7 |
| Total Ethnic Minority | 8 | 12.5 | 11.2 | 5 | 9.6 |
| Not Hispanic or Latino | 35 | 54.7 | 59.8 | 27 | 51.9 |
| Ethnicity Not Available | 21 | 32.8 | 29.0 | 20 | 38.5 |
| Total | 64 | 100.0 | 100.0 | 52 | 100.0 |

Source: U.S. Census 2020, HMDA Aggregate Data 2022, HMDA LAR Data 2022 and 2023

In 2023, the bank received 64 home mortgage loan applications from within its assessment area. Of these applications, the bank received eight or 12.5 percent from racial minority applicants, six or 75.0 percent resulted in origination. For the same period, the bank also received eight applications or 12.5 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications six, or 75.0 percent, the bank originated. For the same year, aggregate lenders received 16.1 percent of applications from racial minority groups, originating 55.0 percent. For the same year, aggregate lenders received 11.2 percent of applications from ethnic minority groups and originated 53.0 percent.

In 2024, the bank received 52 home mortgage loan applications from within its assessment area. Of these applications, five, or 9.6 percent, were made to racial minority applicants, of which three or 60.0 percent, were originated. For the same period, the bank received five home mortgage loan applications from ethnic minority borrowers, of which, three, or 60.0 percent were originated.

Examiners note that, although the bank's minority application flow performance decreased amongst both racial and ethnic minority groups from 2023 to 2024, so did the overall volume of lending. Additionally, the bank employs several individuals who speak multiple languages, including Spanish and Portuguese. Given the assessment area competition, the number of applications received, comparisons to aggregate data, and the assessment area's demographic composition, the bank's minority application flow is 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.