

# **PUBLIC DISCLOSURE**

February 18, 2020

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Envision Bank  
Certificate Number: 90270

129 North Main Street  
Randolph, Massachusetts 02368

Division of Banks  
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Federal Deposit Insurance Corporation  
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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.

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## INSTITUTION RATING

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

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area.
- The institution has taken appropriate action in response to substantiated complaints about its performance in meeting assessment area credit needs.

**The Community Development Test is rated High Satisfactory by the Division and Satisfactory by the FDIC.**

While both agencies agreed on the bank's Community Development Test performance, Part 345 of FDIC Rules and Regulations does not provide a *High Satisfactory* rating for performance tests.

- The institution demonstrated good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation, conducted jointly by the FDIC and the Division, covers the period from the prior evaluation dated June 5, 2017, to the current evaluation dated February 18, 2020. The Division and the FDIC used the Interagency Intermediate Small Institution Examination Procedures to evaluate the bank's CRA performance. Please refer to the appendices for more information on each test.

### **Activities Reviewed**

Based on the number and dollar volume of loans originated during the evaluation period and the bank's business strategy, examiners determined that the bank's major product lines are home mortgage and small business loans. The bank's record of originating home mortgage loans contributed substantially more weight to the overall conclusions due to the much larger origination volume when compared to the bank's small business loans. No other loan types, such as small farm loans or consumer loans, represent a major product line; therefore, they provided no material support for conclusions or ratings, and examiners did not present these products.

The evaluation considered all home mortgage loans reported on the bank's Home Mortgage Disclosure Act Loan Application Registers (LARs) for 2017, 2018, and 2019. The bank reported 1,597 home mortgage loans totaling \$450.4 million in 2017, 1,551 home mortgage loans totaling \$511.0 million in 2018, and 2,844 home mortgage loans totaling \$956.5 million in 2019. While examiners analyzed the bank's 2017, 2018, and 2019 home mortgage lending, they only presented the bank's home mortgage lending activity in 2018 and 2019 in the Geographic Distribution and Borrower Profile sections, because the bank's 2017 lending performance was consistent with its 2018 and 2019 lending performance. The evaluation compared the bank's home mortgage lending performance against 2018 aggregate lending data, and 2018 and 2019 demographic data, respectively. Aggregate data for 2019 was not available as of the evaluation date; therefore, performance in 2018 carried more weight in determining conclusions.

The bank is not required to, and has not elected to, report small business loan data; however, the bank collected the data. The bank originated 16 small business loans totaling \$3.4 million in 2017, 28 small business loans totaling \$6.3 million in 2018, and 15 small business loans totaling \$2.4 million in 2019. While examiners analyzed the bank's 2017, 2018, and 2019 small business lending data, they only presented the bank's small business loan activity in 2018 and 2019, because its 2017 lending performance was consistent with its 2018 and 2019 lending performance. The evaluation compared the bank's 2018 and 2019 small business lending activity to business demographic data to assess Geographic Distribution and Borrower Profile performance.

Although Lending Test tables reflect the number and dollar volume of loans, examiners emphasized performance by number of loans as it is a better indicator of the number of individuals and businesses served. Examiners used 2015 American Community Survey (ACS)

data and D&B data for applicable years, to make demographic comparisons.

The Community Development Test considered the number and dollar amount of community development loans, qualified investments, and community development services performed between June 5, 2017 and February 18, 2020. Financial data about the bank was obtained from the December 31, 2019 Consolidated Report of Condition and Income (Call Report).

## DESCRIPTION OF INSTITUTION

### **Background**

Envision Bank (Envision) is a state-chartered mutual savings bank established in 1867. The bank was formerly known as Randolph Savings Bank, and underwent a name change in 2018. Envision is headquartered in Stoughton, Massachusetts (MA). The bank is a wholly owned subsidiary of Randolph Bancorp Inc. The FDIC and the Division assigned a Satisfactory rating at the prior CRA evaluation dated June 5, 2017, using Interagency Intermediate Small Institution Examination Procedures.

### **Operations**

Envision operates five full-service branches in Norfolk County, MA. The branches are located in Braintree, Holbrook, Randolph, and Stoughton (2). The bank also operates 11 lending centers throughout Massachusetts and 1 lending center in southern New Hampshire (NH). The bank does not have any affiliates or subsidiaries that engage in retail banking services.

Since the previous evaluation, the bank relocated its Stoughton Branch in 2017 (to a moderate-income census tract), and opened a branch Braintree in 2018. In addition, the bank closed its Boston branch, and one of its Randolph branches, both located in middle-income census tracts.

Envision offers residential, commercial, and consumer credit, but residential lending is its primary business focus. Loan products include residential mortgages for 1-4 family dwelling units; home equity loans and lines of credit; renovation and construction loans; consumer overdraft lines of credit; consumer credit cards; installment loans; commercial real estate loans; and unsecured and secured commercial loans.

Deposit products include personal and business checking accounts, statement savings, money market accounts, certificates of deposit, and individual retirement accounts. Additionally, the bank offers alternative delivery systems such as online banking and peer-to-peer payment.

### **Ability and Capacity**

The December 31, 2019 Call Report data reflects total assets of \$631.3 million, total loans of \$536.2 million, and total deposits of \$503.1 million. Total assets increased by 30.8 percent, total loans increased by 42.5 percent, and total deposits increased by 34.8 percent since March 31, 2017. The bank's increased residential lending resulted in the asset and loan growth. The bank's current loan portfolio has a slightly higher concentration in residential real estate lending (78.1 percent) compared to the prior evaluation (74.1 percent). The following table details the bank's loan portfolio.

<b>Loan Portfolio Distribution as of 12/31/2019</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	35,238	6.6
Secured by 1-4 Family Residential Properties	372,705	69.5
Secured by Multi-family (5 or more) Residential Properties	11,086	2.0
<b>Total Residential Real Estate Loans</b>	<b>419,029</b>	<b>78.1</b>
Secured by Non-farm Non-Residential Properties	92,368	17.2
Commercial and Industrial Loans	9,094	1.7
<b>Total Commercial Loans</b>	<b>101,462</b>	<b>18.9</b>
Consumer	15,645	2.9
Other	67	0.1
<b>Total Loans</b>	<b>536,203</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

There were no apparent financial or legal impediments limiting the bank's ability to help meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each bank to define one or more assessment area(s) within which examiners evaluate its CRA performance. Envision's assessment area covers a large portion of eastern MA and southern NH. The assessment area consists of the entireties of Essex, Middlesex, Norfolk, Plymouth, and Suffolk Counties in MA; and Rockingham and Strafford Counties in NH; it also includes the towns of Attleboro, Easton, Mansfield, North Attleboro, Norton, Raynham, and Taunton in Bristol County, MA. The assessment area includes the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA), and portions of the Providence-Warwick, RI-MA MSA.

The following sections discuss economic and demographic information, as well as the assessment area's credit needs. Demographic information referenced in this evaluation was obtained from 2015 ACS data.

### **Economic and Demographic Data**

The bank's assessment area includes 1,046 census tracts. The following reflects the income designations according to 2015 ACS data:

- 114 low-income tracts,
- 204 moderate-income tracts,
- 398 middle-income tracts,
- 310 upper-income tracts, and
- 20 tracts without an income designation.

The assessment area does not contain any designated distressed or underserved middle-income census tracts.



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

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,046	10.9	19.5	38.0	29.6	1.9
Population by Geography	4,903,684	9.1	19.5	39.8	31.3	0.3
Housing Units by Geography	1,981,971	8.7	20.2	40.8	30.2	0.2
Owner-Occupied Units by Geography	1,143,150	3.2	14.5	44.8	37.3	0.1
Occupied Rental Units by Geography	709,398	17.2	28.4	34.5	19.5	0.4
Vacant Units by Geography	129,423	10.0	25.1	39.3	25.2	0.3
Businesses by Geography	366,334	6.7	14.6	39.0	39.3	0.4
Farms by Geography	7,475	2.5	11.5	45.9	40.1	0.1
Family Distribution by Income Level	1,182,085	22.9	16.3	19.6	41.1	0.0
Household Distribution by Income Level	1,852,548	26.1	14.5	16.4	43.0	0.0
Median Family Income MSA - 14454 Boston, MA	\$90,699	Median Housing Value				\$393,230
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA	\$100,380	Median Gross Rent				\$1,260
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA	\$73,950	Families Below Poverty Level				7.2%
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH	\$90,150					
<i>Source: 2015 ACS and 2018 D&amp;B Data; Due to rounding, totals may not equal 100.0 percent. (* The NA category consists of geographies that have not been assigned an income classification.</i>						

Service industries represent the largest portion of businesses at 43.2 percent; followed by non-classifiable establishments (14.6 percent); retail trade (11.8 percent); finance, insurance, and real estate (10.0 percent); and construction (7.8 percent).

The analysis of small business loans under the Borrower Profile criterion compares the distribution of small business loans to the distribution of businesses by gross annual revenue (GAR) level. According to 2018 D&B data, there were 366,334 non-farm businesses in the assessment area. GARs for these businesses are as follows:

- 83.6 percent have GARs of \$1 million or less.
- 7.1 percent have GARs of more than \$1 million.
- 9.3 percent have unknown revenues.

Examiners used the FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories based on 2018 and 2019 FFIEC-updated median family incomes.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA MD Median Family Income (14454)</b>				
2018 (\$99,300)	<\$49,650	\$49,650 to <\$79,440	\$79,440 to <\$119,160	≥\$119,160
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
<b>Cambridge-Newton-Framingham, MA MD Median Family Income (15764)</b>				
2018 (\$110,300)	<\$55,150	\$55,150 to <\$88,240	\$88,240 to <\$132,360	≥\$132,360
2019 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
<b>Providence-Warwick, RI-MA MSA Median Family Income (39300)</b>				
2018 (\$80,600)	<\$40,300	\$40,300 to <\$64,480	\$64,480 to <\$96,720	≥\$96,720
2019 (\$85,100)	<\$42,550	\$42,550 to <\$68,080	\$68,080 to <\$102,120	≥\$102,120
<b>Rockingham County-Strafford County, NH MD Median Family Income (40484)</b>				
2018 (\$101,300)	<\$50,650	\$50,650 to <\$81,040	\$81,040 to <\$121,560	≥\$121,560
2019 (\$103,200)	<\$51,600	\$51,600 to <\$82,560	\$82,560 to <\$123,840	≥\$123,840
<i>Source: FFIEC</i>				

According to U.S. Bureau of Labor Statistics data for 2018, MA had a 3.3 percent average unemployment rate and NH had a 2.5 percent average unemployment rate. At the county level, unemployment rates ranged from a low of 2.3 percent (Strafford County, NH) to a high of 3.5 percent (Plymouth County, MA).

## **Competition**

The assessment area is competitive for financial services. According to FDIC Deposit Market share data as of June 30, 2019, 234 financial institutions operated 1,655 full-service branches within the assessment area. Of these institutions, Envision ranked 48<sup>th</sup> with a 0.4 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository lenders in the area. In 2018, 713 lenders reported 163,768 originated or purchased residential mortgage loans. Envision ranked 44<sup>th</sup> out of this group with a 0.6 percent market share. A majority of the lenders that ranked ahead of the bank were large national banks, non-depository lenders, and credit unions.

Envision is not required to collect or report its small business loan data; therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. However, aggregate data provides insight into demand for small business loans. The 2018 aggregate data shows that 197 institutions reported 136,272 small business loans in all assessment area counties, indicating a high degree of competition.

## **Community Contact**

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

Examiners contacted a representative from a local housing authority in the southern portion of the assessment area. The contact noted the area lacks affordable housing for low- and moderate-income individuals and families, and credit repair programs. The contact stated that there is a limited availability of both affordable rentals and owner-occupied properties, and closing costs create an additional barrier to homeownership for qualified low- and moderate-income individuals. The contact highlighted opportunities for financial institutions to address these needs through special finance programs for affordable housing creation, credit repair programs, and providing financial education. Overall, the contact stated that local financial institutions were responsive to the area's lending and community development needs.

Examiners also referenced a community contact with a community development corporation (CDC) located in the northern portion of the assessment area. The CDC operates over 20 affordable housing properties. The contact indicated that the community needs flexible financing options and programs tailored to low- and moderate-income individuals. The contact emphasized the need to make individuals aware of flexible financing programs.

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

Examiners identified the primary credit and community development needs of the assessment area based on demographic and economic information, discussions with management, and community contact information. Examiners determined that home mortgage loan products are the primary credit need in the assessment area, with an emphasis on affordable housing for low- and moderate-income individuals. Given the size of the assessment area, its large population, and the significant presence of low- and moderate-income families and geographies, needs and opportunities exist for all community development categories.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Envision demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performances support this conclusion.

### Loan-to-Deposit Ratio

The bank's LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio averaged 111.1 percent over the past 11 calendar quarters, ranging from a low of 104.6 percent as of June 30, 2017, to a high of 123.4 percent as of June 30, 2019. Examiners compared the bank's LTD ratio to that of similarly situated institutions. The bank's LTD ratio was higher than the similarly situated institutions. Examiners selected the comparable institutions based on asset size, geographic location, and lending focus. The following table illustrates the LTD ratio for the bank and similarly situated institutions.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Institution</b>	<b>Total Assets \$(000s)</b>	<b>Average LTD Ratio (%)</b>
<b>Envision Bank</b>	<b>631,256</b>	<b>111.1</b>
The Cooperative Bank	438,269	100.7
Abington Bank	565,988	106.6
Coastal Heritage Bank	848,382	90.7

*Source: Call Report data*

### Assessment Area Concentration

The bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	866	54.2	731	45.8	1,597	267,997	59.5	182,392	40.5	450,389
2018	933	60.2	618	39.8	1,551	347,668	68.0	163,255	32.0	510,924
2019	1,610	56.6	1,234	43.4	2,844	610,819	63.9	345,660	36.1	956,479
<b>Subtotal</b>	<b>3,409</b>	<b>56.9</b>	<b>2,583</b>	<b>43.1</b>	<b>5,992</b>	<b>1,226,484</b>	<b>64.0</b>	<b>691,307</b>	<b>36.0</b>	<b>1,917,791</b>
Small Business										
2017	13	81.3	3	18.8	16	2,827	82.7	593	17.3	3,420
2018	22	78.6	6	21.4	28	5,107	80.5	1,239	19.5	6,346
2019	13	86.7	2	13.3	15	1,967	80.9	464	19.1	2,431
<b>Subtotal</b>	<b>48</b>	<b>81.4</b>	<b>11</b>	<b>18.6</b>	<b>59</b>	<b>9,901</b>	<b>81.2</b>	<b>2,296</b>	<b>18.8</b>	<b>12,197</b>
<b>Total</b>	<b>3,457</b>	<b>57.1</b>	<b>2,594</b>	<b>42.9</b>	<b>6,051</b>	<b>1,236,385</b>	<b>64.1</b>	<b>693,603</b>	<b>35.9</b>	<b>1,929,988</b>
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2019 Bank Data</i>										

## **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable home mortgage lending performance primarily supports this conclusion.

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

The distribution of home mortgage loans reflects reasonable dispersion. In 2018, Envision's lending in low-income census tracts was slightly below the aggregate lending data and demographics. Also in 2018, the bank's lending in moderate-income census tracts slightly exceeded the percentage of owner-occupied units and slightly trailed aggregate. These comparisons reflect reasonable performance based on the competition the bank faces in the assessment area from larger financial institutions and mortgage lenders.

In 2019, the percentage of the bank's loans in low-income census tracts and moderate-income census tracts was both slightly below, but comparable to the percentage of owner-occupied units.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	3.2	4.5	23	2.5	9,568	2.8
2019	3.2	--	37	2.3	12,200	2.0
Moderate						
2018	14.5	16.1	145	15.5	44,347	12.8
2019	14.5	--	209	13.0	66,435	10.9
Middle						
2018	44.8	43.5	441	47.3	147,881	42.5
2019	44.8	--	708	44.0	238,791	39.1
Upper						
2018	37.3	35.6	323	34.6	145,568	41.9
2019	37.3	--	653	40.6	292,066	47.8
Not Available						
2018	0.1	0.2	1	0.1	305	0.1
2019	0.1	--	3	0.2	1,327	0.2
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>933</b>	<b>100.0</b>	<b>347,668</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>--</b>	<b>1,610</b>	<b>100.0</b>	<b>610,819</b>	<b>100.0</b>
<i>Source: 2015 ACS; 1/1/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0 percent.</i>						

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

The geographic distribution of small business loans reflects reasonable dispersion. Although the bank did not originate any loans in low-income census tracts in 2018 or 2019, it could have matched the percentage of businesses in those tracts with just one or two loans. Additionally, the bank's lending in moderate-income census tracts exceeded the percentage of businesses in 2018, and in 2019, representing reasonable performance.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2018	6.7	0	0.0	0	0.0
2019	6.7	0	0.0	0	0.0
<b>Moderate</b>					
2018	14.6	7	31.8	2,284	44.7
2019	14.8	3	23.1	777	39.5
<b>Middle</b>					
2018	39.0	10	45.5	1,618	31.7
2019	38.5	5	38.5	877	44.6
<b>Upper</b>					
2018	39.3	5	22.7	1,205	23.6
2019	39.6	5	38.5	314	16.0
<b>Not Available</b>					
2018	0.4	0	0.0	0	0.0
2019	0.4	0	0.0	0	0.0
<b>Totals</b>					
<b>2018</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>5,107</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>1,967</b>	<b>100.0</b>
<i>Source: 2018 D&amp;B Data; 1/1/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>					

## **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's performance in home mortgage lending primarily supports this conclusion.

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

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income, is reasonable. In 2018, the bank's lending was comparable to the aggregate for both low- and moderate-income borrowers, and the demographics for moderate-income borrowers. The percentage of loans to moderate-income borrowers remained consistent in 2019, and outperformed the demographics. The bank's percentage of loans to low-income borrowers in 2018, and in 2019, was well below the demographics. However, the bank's performance is reasonable based on a number of factors. First, there is significant competition in the assessment area. Second, a low-income family in this area may have difficulty qualifying for a mortgage under conventional underwriting standards considering the median housing value of



\$393,230. Finally, 7.2 percent of families live below the poverty level. These factors contribute to the limited lending opportunities for low-income borrowers.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	22.9	6.0	55	5.9	10,105	2.9
2019	22.9	--	63	3.9	11,652	1.9
<b>Moderate</b>						
2018	16.3	17.8	185	19.8	46,986	13.5
2019	16.3	--	314	19.5	86,282	14.1
<b>Middle</b>						
2018	19.6	23.2	271	29.0	87,381	25.1
2019	19.6	--	481	29.9	165,892	27.2
<b>Upper</b>						
2018	41.1	40.3	405	43.4	190,882	54.9
2019	41.1	--	719	44.7	334,522	54.8
<b>Not Available</b>						
2018	0.0	12.8	17	1.8	12,315	3.5
2019	0.0	--	33	2.1	12,471	2.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>933</b>	<b>100.0</b>	<b>347,668</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>--</b>	<b>1,610</b>	<b>100.0</b>	<b>610,819</b>	<b>100.0</b>
<i>Source: 2015 ACS; 1/1/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>						

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

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1 million or less. Although the bank's performance trailed the percentage of businesses, the assessment area has significant competition for small business loans. In addition, business demographic data does not provide a true representation of credit demand by revenue category. A review of 2018 aggregate data for the assessment area showed that banks reporting CRA data made less than half of all small business loans to businesses with GARs of \$1 million or less. Based on these factors, the bank's performance is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2018	83.6	11	50.0	3,107	60.8
2019	85.3	5	38.5	897	45.6
<b>&gt;\$1,000,000</b>					
2018	6.9	11	50.0	2,000	39.2
2019	6.1	8	61.5	1,070	54.4
<b>Revenue Not Available</b>					
2018	9.5	0	0.0	0	0.0
2019	8.6	0	0.0	0	0.0
<b>Totals</b>					
<b>2018</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>5,107</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>1,967</b>	<b>100.0</b>
<i>Source: 2018 D&amp;B Data; 1/1/2018 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0 percent.</i>					

### **Response to Complaints**

The bank received CRA-related complaints during the evaluation period, all of which related to the closing of branch locations. Envision took appropriate action in response to substantiated complaints about its performance in meeting assessment area credit needs.

### **COMMUNITY DEVELOPMENT TEST**

Envision's community development performance demonstrates good 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 for community development activity within the assessment area.

### **Community Development Loans**

Envision originated 18 community development loans totaling \$7.6 million during the evaluation period. This level of activity represents 1.8 percent of average net loans over the evaluation period. The majority of the bank's community development lending supported the development of affordable housing. The bank also extended several Small Business Administration (SBA) 504 loans supporting economic development.

The following table illustrates the bank's community development lending activity by year and purpose inside the assessment area.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize Or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
6/5/17-12/31/17	2	872	0	0	1	600	0	0	3	1,472
2018	6	3,409	0	0	4	747	0	0	10	4,156
2019	0	0	3	1,208	2	810	0	0	5	2,018
YTD 2020	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>8</b>	<b>4,281</b>	<b>3</b>	<b>1,208</b>	<b>7</b>	<b>2,157</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>7,636</b>

*Source: Bank records*

Below are notable examples of community development loans:

- In 2019, the bank originated two loans totaling \$900,000 to construct permanent housing for homeless veterans in Randolph, MA. This affordable housing project represented particular effort and leadership from the bank. The project utilized land donated by the bank, as well as grants from the Envision Foundation.
- In 2017, the bank extended a \$704,000 loan to purchase a six-unit multifamily property in Norwood, MA. The majority of units had rents below the Department of Housing and Urban Development (HUD) Fair Market Rents. Based on this metric, the property supports affordable housing, as low- or moderate-income individuals likely occupy these units.
- In 2017, the bank participated \$600,000 in a \$1.2 million loan to purchase a gas station and convenience store in Reading, MA. The store will generate jobs for low- and moderate-income individuals in the area.
- In 2018, the bank originated two loans for \$513,000 to purchase a restaurant in Hyde Park, MA. The loans were originated in connection with the SBA's 504 program. The SBA 504 program supports economic development.

### **Qualified Investments**

Envision made 75 qualified investments totaling \$7.9 million, which equates to 1.3 percent of average total assets during the evaluation period. Of the 75 qualified investments, 64 were qualified donations to community development-related organizations totaling \$292,815. The remaining 11 qualified investments were qualified equity investments totaling \$7.6 million, which equates to 12.2 percent of average securities since the last evaluation. The following table details qualified investments by year and purpose.

Qualified Investments by Year										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
6/5/17-12/31/17	0	0	9	6	0	0	0	0	9	6
2018	1	1	28	38	0	0	0	0	29	39
2019	0	0	26	248	0	0	0	0	26	248
YTD 2020	0	0	0	0	0	0	0	0	0	0
<b>Donations Subtotal</b>	<b>1</b>	<b>1</b>	<b>63</b>	<b>292</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>293</b>
Debt Security Investments	3	4,351	0	0	8	3,267	0	0	11	7,618
<b>Total</b>	<b>4</b>	<b>4,352</b>	<b>61</b>	<b>183</b>	<b>8</b>	<b>3,267</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>7,911</b>

Source: Bank Data

### Qualified Donations

Below are notable examples of the bank’s qualified donation activities.

- *Father Bill’s and Mainspring* – This nonprofit organization is based in southeastern MA, and assists veterans, families, and other individuals facing homelessness or emergency needs. The bank donated land for the construction of a ten-unit property in Randolph, MA to provide formerly homeless veterans with a permanent residence. This project was completed in coordination with the bank’s commercial lending department as well as the Envision Foundation, and is an example of leadership and impact in the community.
- *Old Colony YMCA* – The Old Colony YMCA is a nonprofit community service organization that provides wellness and social service programs for the community, including numerous programs for low- and moderate-income individuals and at-risk children. The Old Colony YMCA has several locations in Plymouth and Norfolk County. The bank’s contributions financed the organization’s scholarships and financial assistance for low- and moderate-income families to utilize its programs.
- *Holbrook Middle High School* – Holbrook Middle High School, located in Holbrook, MA, has a majority of students eligible for free or reduced-price lunch. The bank’s contributions supported several programs, including the scholarship program for students in need of financial assistance, the “Credit for Life” Financial Literacy and Career Planning Fair, and the Science, Technology, Engineering, and Mathematics (STEM) robotics program.
- *School on Wheels* – School on Wheels is an Easton-based organization that assists children impacted by homelessness by providing academic support. Programs include tutoring for grade-school students; backpacks and school supplies for elementary school students; and mentoring and support for students wanting to graduate or succeed in postsecondary education. The bank provided several donations in support of the organization.
- *Massachusetts Affordable Housing Alliance* – This Boston-based program supports low- and moderate-income families as they pursue homeownership. The organization’s

primary program is a financial seminar for first-time homebuyers. The bank provided a sponsorship in support of a fundraising event for such first-time homebuyers' seminars.

***Debt Security Investments***

The bank's qualified investment activities are listed below:

- *Fannie Mae Mortgage Backed Securities* – During the evaluation period, Envision invested in two new mortgage backed securities totaling \$3.1 million, and continued to invest in another mortgage backed security with a book value of \$1.3 million. All of these investments are secured by loans to low- and moderate-income individuals in the assessment area. The bank specifically identified and selected these investments in line with its CRA strategy.
- *SBA Loan Pools* – During the evaluation period, Envision continued to invest in eight SBA loan pools with a total book value of \$3.3 million. Each of these investments promotes economic development through supporting Small Business Development Companies recognized by the SBA. While each loan pool is comprised of loans nationwide, portions of the loans are located in the bank's broader regional area.

**Community Development Services**

Envision employees and trustees provided 113 instances of financial expertise or technical assistance to 15 community development-related organizations in the assessment area. These services included employee or trustee involvement in community development organizations, financial education, and other financial services for low- and moderate-income individuals. The following table shows the bank's community development services by year and purpose.

<b>Community Development Services</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
6/5/17-12/31/17	3	21	2	0	<b>26</b>
2018	4	22	4	0	<b>30</b>
2019	6	22	4	0	<b>32</b>
YTD 2020	0	22	3	0	<b>25</b>
<b>Total</b>	<b>13</b>	<b>87</b>	<b>13</b>	<b>0</b>	<b>113</b>
<i>Source: Bank Data</i>					

***Employee Involvement***

Envision employees provide service through creation, membership, and participation in local community development organizations, providing financial and technical expertise to the organizations they serve. The following are examples of the organizations that benefited from the bank's employees involvement.

- *Envision Foundation (Foundation)* – This nonprofit organization was created and is

completely funded by Envision. The foundation supports low- and moderate-income families through financial literacy, education, and providing remedies to homelessness. The Envision Foundation has provided critical grants to organizations like Father Bill's and Mainspring and School on Wheels. During the evaluation period, the Envision Foundation helped fund the construction of a multifamily project in Randolph, MA (in coordination with the Envision commercial lending department and a donation of land from Envision). The Foundation also helped organize and fund the "Envision Salutes" fundraiser for local organizations that assisted low- and moderate-income individuals in the assessment area.

The bank remains involved in the Foundation in several capacities. For example, the bank's president is also the president of the Foundation, the bank's chief financial officer acts as treasurer, a senior vice president is a program manager, and a marketing assistant helps organize special events and fundraisers. In addition, numerous employees have provided time raising funds for events like "Envision Salutes."

- *Evelyn House Reading Program* – The Evelyn House is transitional housing for homeless families in Stoughton, MA. Envision recognized that many of the resident children needed additional academic support, and in coordination with School on Wheels, established the reading program. A teller supervisor coordinates this initiative.
- *Metro South Chamber of Commerce* – Based in Brockton MA, this chamber of commerce supports local businesses through education, information, and community development. A business development manager of the bank sits on the Ambassador Committee of the organization, strategizing ways to increase the relevance and impact of chamber programs.
- *Catholic Charities of Boston* – This organization provides support for the most vulnerable members of the population, including low- and moderate-income individuals. Programs include childcare, shelter services, immigration legal services, and adult education and workforce development. The bank president sits on the Board of Trustees of the organization.

### ***Financial Services Education***

Envision also provided financial education resources for low- and moderate-income individuals in its assessment area. The bank both created its own programs and coordinated with local community organizations. The following are examples of the financial literacy programs offered.

- *Quincy Community Action Programs* – Envision provided financial information for prospective first-time homebuyers. Topics included budgeting and understanding a credit score. A mortgage loan originator participated in nine instances of this first-time homebuyer class.
- *Envision: Renovation Lending* – A bank assistant vice president provided this seminar to prospective borrowers to help with their purchasing options. The class compared

traditional loans to specialty programs like the Federal Housing Administration (FHA) 203K loan for individuals pursuing affordable homeownership and flexible underwriting. This class was held twice in 2019.

- *Envision: All About Credit Scoring* – A mortgage loan originator designed this program to help individuals determine their credit strengths, weaknesses, and overall needs. Information also included ways to improve their credit score and plan for the future. This class was held once during 2019.
- *Envision: MoneyIQ* – The bank provides access to free online tutorials covering basic financial literacy. Subjects include overdraft protection, budgeting, and cyber security. Prospective borrowers with credit challenges are referred to the bank’s MoneyIQ webpage, which experienced 951 interactions with consumers during the evaluation period.

### ***Other Services***

Envision provided other services in support of low- and moderate-income individuals in the community. The following are some examples of other community development services the bank provided.

- *Elder Financial Abuse Prevention* – Envision maintains policies and procedures geared to protect elderly individuals in the assessment area. The bank’s staff is routinely trained to identify signs of financial abuse and communication is maintained with local senior centers and councils on aging.
- *Massachusetts Interest on Lawyers Trust Accounts (IOLTA)* – This program uses interest earned on trust accounts to support free legal services for low- and moderate-income individuals throughout MA. Envision is a “Leadership Institution” in this program, remitting a higher interest rate than required for membership.
- *Branch Location* – The bank maintained two branches in moderate-income census tracts during the evaluation period. These branches reflect access and availability of financial services for low- and moderate-income residents in the community.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the bank’s overall CRA rating.

## APPENDICES

### FAIR LENDING POLICIES AND PROCEDURES

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

#### MINORITY APPLICATION FLOW

Examiners reviewed Envision’s 2018 and 2019 HMDA LAR data to determine if the bank’s application flow from the different racial and ethnic groups reflected the assessment area’s demographics.

According to the 2015 ACS U.S. Census Data, the bank’s assessment area contained a population of 4,903,684 individuals of which 26.4 percent are minorities. The assessment area’s minority and ethnic population is 22.2 percent Black/African American, 8.7 percent Asian, 0.2 percent American Indian, 36.5 percent Hispanic or Latino, and 3.8 percent Other. Refer to the following table for information on the bank’s minority application flow as well as aggregate data in the bank’s assessment area.

RACE	Bank 2018		2018 Aggregate Data	Bank 2019	
	#	%	%	#	%
American Indian/ Alaska Native	1	0.1	0.3	2	0.1
Asian	86	7.2	6.8	139	7.0
Black/ African American	129	10.8	4.5	168	8.6
Hawaiian/Pacific Islander	1	0.1	0.2	2	0.1
2 or more Minority	1	0.1	0.2	3	0.2
Joint Race (White/Minority)	29	2.4	1.5	32	1.6
<b>Total Minority</b>	<b>247</b>	<b>20.7</b>	<b>13.5</b>	<b>346</b>	<b>17.7</b>
White	860	72.0	65.0	1,497	76.7
Race Not Available	87	7.3	21.5	109	5.6
<b>Total</b>	<b>1,194</b>	<b>100.0</b>	<b>100.0</b>	<b>1,952</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	50	4.2	5.4	51	2.6
Joint (Hisp/Lat /Not Hisp/Lat)	12	1.0	1.1	14	0.7
<b>Total Hispanic Minority</b>	<b>62</b>	<b>5.2</b>	<b>6.6</b>	<b>65</b>	<b>3.3</b>
Not Hispanic or Latino	1,044	87.4	71.5	1,786	91.5
Ethnicity Not Available	88	7.4	21.9	101	5.2
<b>Total</b>	<b>1,194</b>	<b>100.0</b>	<b>100.0</b>	<b>1,952</b>	<b>100.0</b>



In 2018, the bank received 1,194 HMDA reportable loan applications from within its assessment area. Of these applications, the bank received 247, or 20.7 percent, from racial minority applicants demonstrating the bank's performance was well above the 2018 aggregate data of 13.5 percent received from racial minority applicants. Of the 247 applications to racial minority applicants, 73.3 percent were originated. For the same period, 62 applications, or 5.2 percent, were received from ethnic groups of Hispanic origin within its assessment area as compared to the aggregate that received 6.6 percent. Of these 62 applications from Hispanic applicants, 72.3 percent were originated.

In 2019, the bank received 1,952 HMDA reportable loan applications from within its assessment area representing an increase in applications of 63.5 percent over 2018. Of these applications, the bank received 346, or 17.7 percent, from racial minority applicants. Of the 346 applications to racial minorities, 76.6 percent were originated. For the same period, the bank received 65 applications, or 3.3 percent, from ethnic groups of Hispanic origin within its assessment area. Of these 65 applications from Hispanic applicants, 77.4 percent were originated. As the number of applications was consistent year-over-year, it did not reflect the bank's overall growth in applications, resulting in a lower ethnic minority application percentage compared to 2019.

The 2018 origination data shows the bank steadily performed well above the 2018 aggregate origination rate for both racial and ethnic minorities, at 54.9 percent and 52.9 percent, respectively. Similarly high origination rates were noted among nonminority applicants. The 2019 HMDA data exhibits origination rates consistent with 2019, mitigating fair lending underwriting risks.

Examiners concluded the bank has a very strong monitoring program and analysis for underwriting, pricing and processing times, all of which mitigate fair lending risks and exhibit the bank's commitment to fair lending. The bank's percentage decreases in ethnic and (to a lesser degree) racial minority application flow are potential indicators of challenges to reach the entire demographic. It is recommended that bank management incorporate an analysis of its application flow into its overall monitoring procedures, including both tract demographics and borrower race and ethnicity, to further control risks. Bank management is aware of its minority application flow and is considering business and marketing strategies to increase lending to reflect the demographic of its communities. Overall, the minority application flow for this examination period is considered adequate.

## **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 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;
- 4) The geographic distribution of the bank's loans; 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.

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

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

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

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

**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; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

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

**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).

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

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

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

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

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

**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 more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

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

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



## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Deposit Insurance Corporation, at (Address at main office)."

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

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

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