

PUBLIC DISCLOSURE

April 8, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Ipswich Bank
Certificate Number: 442806

31 Market Street
Ipswich, Massachusetts 01938

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.

First Ipswich Bank's Satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and under the Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio (LTD) is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage loans 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 bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate 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 concurrently with the Federal Reserve Bank Boston (FRBB) and the Commonwealth of Massachusetts Division of Banks (Division), covers the period from the prior evaluation dated March 23, 2015 to the current evaluation dated April 8, 2019. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate First Ipswich Bank's CRA performance. These procedures include two tests: the CRA Small Bank Lending Test and the Community Development Test.

The Lending Test considered the institution's performance according to the following criteria:

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

The Community Development Test considered the following factors:

- Number and dollar amount of community development loans, qualified investments and community development services
- The responsiveness of such activities to the community development needs of the assessment area

Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating.

Loan Products Reviewed

The Lending Test considered the bank's home mortgage and small business lending based on the institution's business strategy and the number and dollar volume of loans originated. Bank records indicate that the overall lending and product mix remained consistent throughout the evaluation period though there was a observable increase toward residential lending and away from commercial real estate. The bank's record of originating small business and commercial real estate loans during the evaluation period contributed more weight to overall conclusions due to the bank's business strategy and to the large percentage of loan volume when compared to residential home mortgage lending.

As of December 31, 2018, residential real estate loans, including multi-family residential properties, accounted for 53.9 percent of the loan portfolio. Commercial lending, consisting of commercial real estate and commercial and industrial loans, represented 42.6 percent of the loan portfolio. Small farm loans, agricultural loans, and consumer loans represent a nominal portion of the loan portfolio; therefore, they provided no material support for conclusions or ratings and are not considered in this analysis.

The evaluation considered all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) from January 1, 2016, through December 31, 2017. In 2016, the bank reported 40 home mortgage loans totaling \$17.4 million and in 2017, 43 loans totaling 42.0 million. First Ipswich Bank also sells home mortgage loans on the secondary market. This evaluation compares the bank's performance against aggregate lending data and considers demographic data information from the 2015 American Community Survey (ACS).

Examiners also evaluated the bank's small business lending performance. The CRA defines small business loans as commercial real estate loans and commercial and industrial loans with original balances of \$1.0 million or less. Due to its asset size, First Ipswich Bank is not required to collect and report small business lending data for CRA purposes. However, the bank collected and reported its small business data during the evaluation period. Therefore, this evaluation considered all small business loans originated in 2016 and 2017. The bank originated 61 small business loans totaling \$9.9 million in 2016 and 74 small business loans totaling \$19.6 million in 2017. The evaluation compared the bank's small business lending activity to D&B business demographic data for 2016 and 2017. D&B business data for 2018 was not yet available for comparison purposes.

Although the Lending Test tables reflect the number and dollar volume of loans, examiners emphasized performance by number of loans because this serves as a better indicator of the number of individuals and businesses served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated March 23, 2015 through the current CRA evaluation date of April 8, 2019.

DESCRIPTION OF INSTITUTION

Background

First Ipswich Bank is a state-chartered commercial bank established in 1892. The bank is headquartered at 31 Market Street, Ipswich, MA, a full-service branch location. First Ipswich Bank is a wholly-owned subsidiary of Brookline Bancorp which owns three subsidiary banks in total. The other two subsidiary banks are Brookline Bank, in Massachusetts, and Bank Rhode Island.

Operations

The bank operates five branches located in Danvers, Essex, Gloucester, Newburyport, and Rowley. First Ipswich Bank opened a new full-service branch at 107 High Street, Danvers, MA on March 6, 2017. All branches have ATM machines and the bank operates a stand-alone ATM in Gloucester. The bank has not closed any branches during the evaluation period.

The bank offers a variety of deposit and lending products and services. Deposit products include checking, savings, certificates of deposit (CDs), and Individual Retirement Accounts (IRAs). Lending products include home mortgages, home equity loans and Home Equity Lines of Credit (HELOCs), personal loans, consumer loans, and construction loans. Business loans include commercial mortgages, small business loans, commercial lines of credit, commercial term loans, and commercial letter of credit. The bank is approved for the Small Business Administration SBAExpress and Preferred Lender programs. Other services include online banking with bill pay, eStatements, mobile banking including deposits and P2P payments, Mobile Wallets for use with First Ipswich Bank Debit Mastercard, telephone banking, mail teller service, financial planning, cash management services, payroll and HR services, and a customer service center with toll-free calling during the hours of 8:00 am to 6:00 pm Monday through Friday and 9:00 am to 2:00 pm on Saturday. The bank is a member of the SUM and NYCE networks.

Ability and Capacity

As of December 31, 2018, First Ipswich Bank had approximately \$421.6 million in total assets, which includes \$293.8 million in total loans. During the evaluation period total assets grew by 26.6 percent. Total deposits were \$364.6 million. The bank is primarily a commercial lender with Nonfarm Nonresidential Properties and Commercial and Industrial lending totaling 50.6 percent of the loan portfolio. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 12/31/18		
Loan Category	\$(000s)	%
Construction and Land Development	13,616	4.6
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	94,625	32.2
Secured by Multifamily (5 or more) Residential Properties	36,640	12.5
Secured by Nonfarm Nonresidential Properties	113,742	38.7
Total Real Estate Loans	258,623	88.0
Commercial and Industrial Loans	35,000	11.9
Agricultural Loans	0	0.0
Consumer Loans	160	0.1
Other Loans	33	0.0
Less: Unearned Income	0	0.0
Total Loans	293,816	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define an assessment area within which its CRA performance is evaluated. First Ipswich Bank's assessment area, as currently defined, meets the technical requirements of the CRA regulation.

Economic and Demographic Data

First Ipswich Bank's designated assessment area has increased since the previous performance examination. As of May 7, 2018, the expanded assessment area contains the entirety of Essex County totaling 163 census tract in 34 municipalities. The fourteen towns added to the assessment area include: Andover, Boxford, Groveland, Haverhill, Lawrence, Lynn, Lynnfield, Merrimac, Methuen, Nahant, North Andover, Saugus, Swampscott, and West Newbury. This represents a significant expansion over the previous evaluation when their assessment area was composed of 69 census tracts in the towns of Amesbury, Beverly, Danvers, Essex, Georgetown, Gloucester, Hamilton, Ipswich, Manchester-by-the-sea, Marblehead, Middleton, Newbury, Newburyport, Peabody, Rockport, Rowley, Salem, Salisbury, Topsfield, and Wenham. Examiners compared the performance in each year to the expanded assessment area.

The census tracts represent the following income designations according to the 2015 American Community Survey (ACS):

- 32 low-income census tracts
- 31 moderate-income census tracts
- 69 middle-income census tracts
- 30 upper-income census tracts
- 1 NA

In addition to the expansion of the assessment area, 2015 ACS data also contributed to changes in designations of census tracts since the previous performance evaluation. The following table illustrates select demographic characteristics of the 2017 assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	163	22.7	19.0	41.7	16.0	0.6
Population by Geography	763,849	19.7	19.1	42.8	18.5	0.0
Housing Units by Geography	307,894	18.6	20.3	44.6	16.5	0.0
Owner-Occupied Units by Geography	181,293	7.5	17.3	52.3	22.9	0.0
Occupied Rental Units by Geography	106,619	37.3	24.6	31.6	6.5	0.0
Vacant Units by Geography	19,982	19.5	25.0	44.4	11.1	0.0
Businesses by Geography	52,904	15.5	16.9	45.7	21.9	0.0
Farms by Geography	1,220	6.9	14.1	55.6	23.4	0.0
Family Distribution by Income Level	192,381	28.3	18.0	20.2	33.5	0.0
Household Distribution by Income Level	287,912	31.0	15.5	17.3	36.2	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$100,380	Median Housing Value			\$347,478
			Median Gross Rent			\$1,069
			Families Below Poverty Level			8.6%
Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

The assessment area had 304,902 housing units. Of these 60.7 percent are owner-occupied, 32.1 percent are occupied rental units, and 7.2 percent are vacant. Within the assessment area, the median housing value was \$347,478 and the 2017 median family income (MFI) was \$104,800, however, the low- and moderate-income borrower would likely have difficulty qualifying based on standard underwriting criteria.

Examiners used the 2016 and 2017 Federal Financial Institutions Examination Council's (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 for the Cambridge-Newton-Framingham, MA Metropolitan Division (MD).

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2016 (\$98,600)	<\$49,300	\$49,300 to <\$78,880	\$78,880 to <\$118,320	≥\$118,320
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
<i>Source: FFIEC</i>				
<i>Due to rounding, totals may not equal 100.0</i>				

Low- and moderate-income families represented 38.8 percent of the population in the assessment area, and 8.6 percent of families had incomes delineated below the poverty level. This indicates that a large portion of the population may require financial assistance or community services.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. Per 2016 demographics, of the 52,181 businesses in the assessment area 85.5 percent have GARs of \$1 million or less, 6.2 percent have GARs of more than \$1 million, and 8.3 percent did not report revenue data.

Data obtained from the U. S. Bureau of Labor and Statistics indicates that the year-end unemployment rate for Massachusetts was 3.6 percent in 2017 and 3.1 percent in 2018. The unemployment rate of Essex County was slightly lower at 3.2 percent in 2017 and 2.8 percent in 2018. As of January 2019, Essex County had increased slightly at 3.7 percent.

Competition

The assessment area is moderately competitive in the market for financial services. According to deposit market share data for 2018, 35 depository institutions operated 248 branches within the bank's assessment area. Of these institutions First Ipswich Bank ranked eighteenth with a deposit market share of 1.4 percent. The top three depository institutions were large national banks with a combined market share of 34.6 percent.

The bank faces a high level of competition for home mortgage and small business lending among large banks, credit unions, and mortgage companies in the assessment area. For 2017 home mortgage lending, 476 lenders originated 35,460 loans within the assessment area. First Ipswich Bank originated 46 loans. The top mortgage lender in the assessment area was Wells Fargo, which originated 2,048 loans for a market share of 5.8 percent. The top three lenders in the assessment area were large national banks or mortgage companies with a combined market share of 12.9 percent. For 2017 small business lending, 105 lenders originated 18,270 loans. First Ipswich Bank originated 69 ranking 24th with a market share of 0.4 percent.

Community Contact

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

Examiners contacted two community organizations active in the assessment area. The first contact identified the downtown Gloucester and inner Gloucester harbor as areas in need of community development services. Specifically, these areas could benefit from small business development and financing for business property maintenance and rehabilitation along the waterfront. Additionally, there is immediate need to increase affordable housing units and programs in the City, as well as to assist current residents, particularly seniors, to stay in their homes. The second contact, operating in the Salem, MA area, identified a need for helping the unbanked through credit rebuilding programs and financial education. Additionally, the second contact noted the need for community services for supporting low- and moderate-income people and the need for more affordable housing stock. Both contacts noted that, overall, local community banks have been responsive to the credit and community development needs of the local community.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing, economic development, financial education, and community services continue to be significant needs. Real estate prices in the area are high, limiting the opportunities for low- and moderate-income individuals to become homeowners. Opportunities for financial institutions to meet these needs include providing credit to small businesses and organizations that develop affordable housing units and assisting community service organizations that support these individuals in the assessment area. Additional opportunity exists relative to the challenges facing waterfront propertyies and business owners.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Ipswich Bank demonstrated reasonable performance under the Lending Test. Reasonable Geographic Distribution and Borrower Profile performance support this conclusion. The following summarizes the bank's performance within each of the Lending Test criterion.

Loan-to-Deposit Ratio

First Ipswich Bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 86.1 percent over the past 16 quarters from March 31, 2015 to December 31, 2018. The quarterly ratios ranged from a low of 79.7 percent as of December 31, 2018 to a high of 93.2 percent as of March 31, 2016. For the consecutive quarters ending June 30, 2016 through September 30, 2017 the ratio trended in the low 90's, above the average.

Examiners compared the bank's LTD ratio to that of four similarly situated banks that operate in the same geographic area (Northeastern Massachusetts) and are predominantly residential and commercial mortgage and small business lenders.

The following table illustrates the bank's ratio compared to the other institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2018 (\$000s)	Average Net LTD Ratio (%)
First Ipswich Bank	421,567	86.1
Marblehead Bank	212,784	94.4
Beverly Bank	486,825	97.9
BankGloucester	273,665	99.5
Northmark Bank	372,260	100.6
<i>Source: Reports of Condition and Income 3/31/15 through 12/31/18</i>		

Assessment Area Concentration

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

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	31	77.5	9	22.5	40	13,008	74.9	4,356	25.1	17,364
2017	36	83.7	7	16.3	43	38,107	90.8	3,845	9.2	41,952
Subtotal	67	80.7	16	19.3	83	51,115	86.2	8,201	13.8	59,316
Small Business										
2016	48	78.7	13	21.3	61	6,139	61.8	3,800	38.2	9,939
2017	57	77.0	17	23.0	74	15,086	76.9	4,532	23.1	19,618
Subtotal	105	77.8	30	22.2	135	21,225	71.8	8,332	28.2	29,557
Total	172	78.9	46	21.1	218	72,340	81.4	16,533	18.6	88,873
Source: Evaluation Period: 1/1/2016 - 12/31/2017 Bank Data Due to rounding, totals may not equal 100.0										

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2016, the bank did not originate any small business loans in low-income census tracts and originated fourteen loans in moderate-income tracts, exceeding the aggregate by 14.1 percentage points. In 2017, the bank originated seven loans in low-income tracts which was below aggregate by 2.3 percentage points and below the percentage of business by 3.2 percentage points.

The following table illustrates the bank's dispersion of small business loans.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	12.8	11.1	0	0.0	0	0.0
2017	15.5	14.6	7	12.3	1,706	11.3
Moderate						
2016	15.7	15.1	14	29.2	2,698	43.9
2017	16.9	16.6	3	5.3	1,539	10.2
Middle						
2016	48.0	49.0	24	50.0	2,503	40.8
2017	45.7	45.6	40	70.2	9,560	63.4
Upper						
2016	23.5	24.8	10	20.8	938	15.3
2017	21.9	23.2	7	12.3	2,281	15.1
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.0	0.0	0	0.0	0	0.0
Totals						
2016	100.0	100.0	48	100.0	6,139	100.0
2017	100.0	100.0	57	100.0	15,086	100.0
<i>Source: 2016 & 2017 D&B Data; 1/1/2016 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data, "--" data not available.</i> <i>Due to rounding, totals may not equal 100.0</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners considered comparisons to aggregate and demographic data. In 2017, the expanded assessment area included 22 additional moderate-income tracts and 31 additional low-income census tracts.

In 2016, the bank's lending in low-income census tracts performed below aggregate by 5.1 percentage points and below percentage of owner-occupied housing units by 3.9

percentage points. In moderate-income tracts, the bank's lending was above aggregate by 8.9 percentage points and above percentage of owner-occupied housing units by 9.7 percentage points.

In 2017, the bank's lending in low-income census tracts performed below aggregate by 6.1 percentage points and below percentage of owner-occupied housing units by 1.9 percentage points. In moderate-income tracts, the bank's lending was below aggregate by 3.4 percentage points and below percentage of owner-occupied housing units by 0.6 percentage points.

The following table illustrates the bank's dispersion of home mortgage loans.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	7.1	8.3	1	3.2	105	0.8
2017	7.5	11.7	2	5.6	1,015	2.7
Moderate						
2016	16.1	16.9	8	25.8	3,079	23.7
2017	17.3	20.1	6	16.7	21,883	57.4
Middle						
2016	52.9	50.7	14	45.2	3,629	27.9
2017	52.3	48.5	23	63.9	11,804	31.0
Upper						
2016	23.8	24.1	8	25.8	6,195	47.6
2017	22.9	19.7	5	13.9	3,405	8.9
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.0	0.0	0	0.0	0	0.0
Totals						
2016	100.0	100.0	31	100.0	13,008	100.0
2017	100.0	100.0	36	100.0	38,107	100.0
Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Bank Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes.

Small Business Loans

The distribution of small business loans reflects more than reasonable penetration to businesses with GARs of \$1 million or less. Examiners compared the bank's lending to the percentage of businesses by revenue category. In 2016 the bank originated 47.9 percent of loans to businesses with GARs of \$1 million or less and 45.6 percent in 2017. As noted below, the aggregate performance was 44.4 percent to business with GARs of \$1 million or less in 2016 and 48.0 percent in 2017; First Ipswich Bank is a reporter of small business loans and therefore performance is compared to the aggregate percentage.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2016	85.3	44.4	23	47.9	3,215	52.4
2017	85.6	48.0	26	45.6	7,109	47.1
>1,000,000						
2016	6.3	--	22	45.8	2,892	47.1
2017	6.2	--	26	45.6	6,772	44.9
Revenue Not Available						
2016	8.5	--	3	6.3	32	0.5
2017	8.2	--	5	8.8	1,205	8.0
Totals						
2016	100.0	100.0	48	100.0	6,139	100.0
2017	100.0	--	57	100.0	15,086	100.0
<i>Source: 2016 & 2017 D&B Data; 1/1/2016 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among individuals of different income levels. Examiners emphasized performance compared to aggregate data as it best reflects lending opportunities.

In 2016 the bank originated three home mortgage loans, or 9.7 percent, to low-income borrowers exceeding the aggregate by 3.5 percentage points and trailing the percentage of families by 16.5 percentage points. Lending in 2017 to low-income borrowers decreased to below aggregate by 5.4 percentage points and below the percentage of families by 25.5 percentage points.

In 2016 the bank originated two loans, or 6.5 percent, to moderate-income borrowers trailing aggregate by 13.8 percentage points and trailing the percentage of families by 11.8 percentage points. Lending in 2017 to moderate-income borrowers increased, however trailed aggregate by 8.9 percentage points and trailed the percentage of families by 4.1 percentage points.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	26.2	6.2	3	9.7	415	3.2
2017	28.3	8.2	1	2.8	180	0.5
Moderate						
2016	18.3	20.3	2	6.5	275	2.1
2017	18.0	22.8	5	13.9	1,487	3.9
Middle						
2016	20.2	24.3	5	16.1	1,881	14.5
2017	20.2	24.8	6	16.7	2,076	5.4
Upper						
2016	35.3	34.0	9	29.0	3,191	24.5
2017	33.5	30.5	6	16.7	3,721	9.8
Not Available						
2016	0.0	15.2	12	38.7	7,246	55.7
2017	0.0	13.7	18	50.0	30,643	80.4
Totals						
2016	100.0	100.0	31	100.0	13,008	100.0
2017	100.0	100.0	36	100.0	38,107	100.0
<i>Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 12/31/2017 Bank Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Response to Complaints

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

Discriminatory or Illegal Credit Practices

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

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. No evidence of disparate treatment was noted based on these procedures.

Minority Application Flow

Examiners reviewed First Ipswich Bank's 2016 and 2017 HMDA LAR data to determine if the bank's application flow from the different racial and ethnic groups reflected the assessment area's demographics. 2016 and 2017 data was analyzed using the expanded 2017 assessment area.

According to the 2015 ACS U.S. Census Data, the bank's assessment area contained a population of 763,849 individuals of which 24.0 percent are minorities. The assessment area's minority and ethnic population is 2.6 percent Black/African American, 3.1 percent Asian, 0.2 percent American Indian, 0.02 percent Hawaiian/Pacific Islander, 16.5 percent Hispanic or Latino, and 1.6 percent Other.

In 2016, the bank received 50 HMDA reportable loan applications from within its assessment area. Of these, the bank received two, or 4.0 percent, from minority applicants of which one was originated. The aggregate received 6.6 percent HMDA reportable loan applications from minority applicants. For the same period, the bank did not receive any applications from ethnic groups of Hispanic origin within its assessment area as compared to the aggregate that received 10.3 percent.

In 2017, the bank received 46 HMDA reportable loan applications from within its assessment area. Of these, the bank did not receive any applications from minority applicants. The aggregate received 7.6 percent HMDA reportable loan applications from minority applicants. For the same period, the bank received one application, or 2.2 percent, from ethnic groups of Hispanic origin within its assessment area as compared to the aggregate that received 12.0 percent.

The bank's 2016 performance for applications to racial minorities was slightly below aggregate data, however, for Hispanic borrowers was below aggregate data with zero applications. For

2017, the bank's performance for applications to racial minorities and ethnicities decreased while the aggregate increased.

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 2016		2017 Aggregate Data	Bank 2017	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.3	0	0.0
Asian	2	4.0	2.8	0	0.0
Black/ African American	0	0.0	3.0	0	0.0
Hawaiian/Pacific Islander	0	0.0	0.3	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	0	0.0	1.3	0	0.0
Total Minority	2	4.0	7.6	0	0.0
White	24	44.0	70.9	28	60.9
Race Not Available	26	52.0	21.5	18	39.1
Total	50	100.0	100.0	46	100.0
ETHNICITY					
Hispanic or Latino	0	0.0	10.9	0	0.0
Not Hispanic or Latino	24	48.0	67.3	27	58.7
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.1	1	2.2
Ethnicity Not Available	26	52.0	20.8	18	39.1
Total	50	100.0	100.0	46	100.0

It should be noted that in 2016, the bank operated in an assessment area with a limited number of low- and moderate-income census tracts. During the evaluation period, the bank expanded its assessment area. By doing so, this added 63 more low- and moderate-income census tracts, thereby including the communities of Haverhill, Lawrence, Lynn, and Methuen, and increasing future opportunity for the bank to these borrowers. Additionally, area demographics show the majority of minorities reside in these areas along with the presence of a number of competing financial institutions and where the bank has no branch presence. Further, the bank's business strategy focuses more heavily on commercial lending. Bank management is cognizant of its HMDA minority application flow and is broadening its business strategies in the expanded assessment area to address increasing the minority application percentages.

COMMUNITY DEVELOPMENT TEST

First Ipswich Bank demonstrated adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, considering the institution's capacity and the need and availability of such opportunities.

Community Development Loans

First Ipswich Bank originated nine community development loans totaling approximately \$4.3 million during the evaluation period. This was an increase over the prior exam when the bank originated three community development loans totaling \$1 million.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
03/24/2015-12/31/2015	0	0	3	1,130	0	0	0	0	3	1,130
2016	1	217	0	0	0	0	0	0	1	217
2017	2	2,224	0	0	0	0	0	0	2	2,224
2018	3	749	0	0	0	0	0	0	3	749
YTD 2019	0	0	0	0	0	0	0	0	0	0
Total	6	3,190	3	1,130	0	0	0	0	9	4,320
<i>Source: Bank Records</i>										

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

- In 2015, the bank made a loan for \$1.0 million to a local organization that provides and coordinates services to elders and others, enabling them to live independently at home or in a setting of their choice while remaining part of their community. The funds from this loan were used for general working capital which provided services to low- and moderate-income individuals.
- In 2017, the bank made a loan for \$1.5 million for the construction of eight housing units. This project consisted of two, four-unit buildings developed in Ipswich, MA. The eight units are rented at rates below fair market value and provide affordable housing in the bank's assessment area.
- In 2018, the bank made two loans for the complete construction of a 23-unit condominium building which has three deed-restricted affordable housing units. The bank provided \$326,087 for the construction of the three affordable housing units that will be located in Newburyport, MA.

Qualified Investments

During the evaluation period First Ipswich Bank made 57 qualified investments and donations totaling \$652,499, an increase over the \$509,012 made during the previous evaluation period. Of the 57 qualified investments and donations, four investments are from the prior period with a current book value of \$526,613. The following table illustrates the bank's community development investments by year and purpose.

Qualified Investments and Donations										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
Prior Period	4	525,613	0	0	0	0	0	0	4	525,613
03/24/2015-12/31/2015	0	0	2	1,750	0	0	1	1,500	3	3,250
2016	0	0	8	15,750	0	0	0	0	8	15,750
2017	2	3,500	12	15,211	0	0	1	1,000	15	19,711
2018	2	3,000	16	27,475	0	0	3	53,000	21	83,475
YTD 2019	0	0	6	4,700	0	0	0	0	6	4,700
Total	8	532,113	44	64,886	0	0	5	55,500	57	652,499
<i>Source: Bank Records</i>										

Below are notable examples of the bank's qualified investment activities:

Qualified Equity Investments

- During the previous evaluation period, First Ipswich Bank made an initial investment of \$500,000 in the CRA Shares investment fund. This fund is a publicly traded mutual fund created for banks in 1999 to assist with the Investment portion of the CRA Exam. The initial investment made by First Ipswich Bank was ear-marked for four separate investments, which assisted low- to moderate-income borrowers within the assessment area. The current book value of this investment is \$525,613.
- In 2018, First Ipswich Bank contributed to the Merrimack Valley Small Business Emergency Loan Fund. This was part of a loan fund which received contributions from 22 different lenders which provided relief for local small businesses and non-profit organizations that were affected by the Merrimack Valley explosions. The loan fund served as a critical tool to help business owners keep their doors open and navigate through a difficult time.

Charitable Contributions

- **Action Inc.** – Action Inc. is a non-profit organization that serves the residents of Gloucester, Essex, Ipswich, Manchester-by-the-Sea and Rockport. Action Inc. and offers a broad range of supportive services, including fuel assistance, energy efficiency programs, case management, housing assistance, homelessness prevention, job training and education, and affordable housing. The organization primarily benefits low- and moderate-income individuals.
- **Beverly Bootstraps** – Beverly Bootstraps provides critical resources to low- and moderate-income families and individuals, including access to food, housing stability, adult and youth education, counseling, and advocacy.
- **Harborlight Community Partners** – This non-profit Massachusetts Community Development Corporation provides affordable housing and services primarily for low- and moderate-income people living in Southern Essex County, including the bank's assessment area.

Community Development Services

During the evaluation period, bank employees provided 47 instances of financial expertise or technical assistance to 15 different community development-related organizations in the assessment area. 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
	#	#	#	#	#
03/24/2015-12/31/2015	1	3	1	0	5
2016	6	4	3	0	13
2017	6	7	7	0	20
2018	3	1	1	0	5
YTD 2019	2	2	0	0	4
Total	18	17	12	0	47
Source: Bank Records					

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

Employee Involvement

Bank employees are involved in local community development organizations in multiple capacities. The employees provide service through membership and participation, providing financial expertise to the organizations they serve. The following are some of the organizations that benefited from the dedicated service of bank employees.

- ***Jennie Geiger Crisis Center*** – An Assistant Vice President from First Ipswich Bank is a Board Member of this organization which empowers individuals and engages communities to end domestic violence. The organization offers free comprehensive services that support adult and child survivors healing from the trauma of domestic violence.
- ***North Shore Community Development Center*** – A Senior Vice President serves on the Advisory Board of this organization invests in neighborhoods to create thriving communities. The North Shore CDC has built over 400 housing units for families and individuals of lower means.
- ***Cape Ann Commercial Fishermen’s Loan Fund*** - A Vice President of the bank served as treasurer and director of the Cape Ann Commercial Fishermen’s Loan Fund. The purpose of the loan fund is to restore the economic well-being of the Cape Ann fishing industry, to upgrade the condition of the local fishing fleet and the effectiveness of local fishing methods, and to alleviate and prevent poverty, unemployment, and underemployment among local fishermen.

Financial Literacy and Support

The bank also provided educational workshops to local organizations and schools. The workshops provided financial literacy covering multiple topics. The descriptions of specific workshops are below.

- ***First-time Home Buyers Programs*** – During the examination period, First Ipswich Bank participated in seven first-time homebuyer seminar conducted in partnership with the Gloucester Housing Authority. The seminars focused on the application process, starting a budget, knowing credit, and foreclosure prevention. The seminars were held at the Gloucester location of First Ipswich Bank which is located in a moderate-income census tract.
- ***Reality Fair at Salem High School*** – In 2017, First Ipswich Bank conducted a Reality Fair at Salem High School. The nationally recognized program is designed to help high school students develop personal financial management skills that they will use throughout their lives. A majority of students at Salem High School are low- and moderate-income.

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 31 Market Street, Ipswich, Massachusetts 01938."

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Reserve Bank of Boston, at 31 Market Street, Ipswich, Massachusetts 01938."

- 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.