

PUBLIC DISCLOSURE

February 5, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Greenfield Co-operative Bank
Certificate Number: 26397

63 Federal Street
Greenfield, MA 01301

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

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 **High Satisfactory**.

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is considered reasonable.
- A high percentage of loans were made in the institution's 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.
- The bank has received no CRA complaints and maintains a reasonable record relative to its fair lending policies and procedures.

The Community Development Test is rated Outstanding.

- Greenfield Co-operative Bank demonstrated excellent responsiveness to the assessment area's community development needs through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 8, 2020, to the current evaluation dated February 5, 2024. Examiners used Intermediate Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include two performance tests: the Lending Test and Community Development Test.

The assessment area consists of towns in Franklin, Hampshire, and Hampden Counties, which are part of the Springfield MSA. Examiners used the 2020 ACS updated data for metropolitan area boundaries, census tracts and their income levels, and demographic information.

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 complaints and Fair Lending policies and procedures

The Community Development Test considered the following criteria:

- Community Development Loans
- Community Development Investments (including donations)
- Community Development Services

Activities Reviewed

Greenfield Co-operative Bank's major product lines are home mortgages and commercial loans, considering the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

The bank's record of originating home mortgage loans contributed more weight to overall conclusions based on origination activity during the evaluation period. Examiners reviewed home mortgage loans reported on the bank's 2022 and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank originated 261 HMDA-reportable loans totaling \$70.5 million in 2022 and 221 HMDA-reportable loans totaling \$58.0 million in 2023. Examiners compared bank lending in 2022 to aggregate HMDA data. Examiners also compared bank lending to applicable demographic data for each year.

This evaluation also considered all collected small business loan data on the CRA LARs for 2022 and 2023 to draw conclusions about small business lending performance. The bank originated 43 small business loans totaling \$10.2 million in 2022, and the bank originated 34 small business loans totaling \$6.6 million in 2023. Loan performance was compared to relevant demographic data. The

bank is not a small business reporter, but aggregate small business data was used for performance context.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While the tables throughout this evaluation include both the number and dollar volume of loans, examiners emphasized bank performance by number of loans, as this better indicates the number of individuals served.

For the Community Development Test, examiners drew conclusions based on data provided by bank management on community development loans, qualified investments, and retail and community development services since the prior CRA evaluation dated October 8, 2020.

Financial data about the bank was obtained from the December 31, 2023 Call Report issued to the FFIEC.

DESCRIPTION OF INSTITUTION

Background

Greenfield Co-operative Bank is a mutual bank originally incorporated in 1905. Greenfield Co-operative Bank is headquartered in Greenfield, Massachusetts and currently operates in Franklin, Hampshire, and Hamden counties. The bank's holding company is Greenfield Bancorp, MHC; they own and operate three subsidiaries noted as 62 Fed LLC, GCB Securities Corporation, and NCB Security Corp.

The Massachusetts Division of Banks assigned a "Satisfactory" rating at its previous Performance Evaluation, dated October 5, 2020, based on Intermediate Small Institution Examination Procedures.

Operations

Greenfield Co-operative Bank operates 10 full-service branches, including six in Franklin County and four in Hampshire County. The branch locations are in Amherst, Florence, Greenfield (2), Northampton, Northfield, Shelburne Falls, South Hadley, Sunderland, and Turners Falls. Additionally, the bank operates a Commercial and Residential Loan Services center in Greenfield. The main branch in Greenfield is located in a moderate-income census tract. The other branches in Greenfield, Northampton, Northfield, Shelburne Falls, South Hadley, Sunderland, and Turner Falls are located in middle-income census tracts. The Amherst and Florence branches are located in upper-income census tracts. All branches maintain 24-hour Automated Teller Machines (ATMs).

The bank is a full-service financial institution that offers a wide variety of products and services. The bank's deposit product offering consists of personal checking accounts, savings accounts, money market accounts, Certificates of Deposit and Individual Retirement Accounts. The bank also offers commercial checking accounts, savings accounts, money market accounts, and Certificates of Deposit. The bank's lending products include fixed and adjustable-rate mortgages, construction loans, land loans, equity loans and lines of credit, auto loans, consumer loans, and energy loans. The bank also offers commercial loans and lines of credit as well as SBA loans.

Ability and Capacity

Greenfield Co-operative Bank's assets totaled approximately \$745.8 million as of December 31, 2023, which included total loans of \$486.4 million, securities of \$183.2 million, and deposits of \$653.0 million. The bank's total assets increased about \$3.2 million since the previous evaluation. The loan portfolio mix reflects a high concentration in residential lending, remaining consistent with the previous evaluation. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	4,155	0.9
Secured by Farmland	1,203	0.2
Secured by 1-4 Family Residential Properties	312,735	64.3
Secured by Multifamily (5 or more) Residential Properties	56,245	11.6
Total Residential Real Estate Loans	374,338	77.0
Secured by Nonfarm Nonresidential Properties	48,431	10.0
Commercial and Industrial Loans	19,397	4.0
Total Commercial Loans	67,828	14.0
Agricultural Production and Other Loans to Farmers	4,163	0.9
Consumer Loans	3,584	0.7
Obligations of State and Political Subdivisions in the U.S.	36,468	7.5
Other Loans	53	0.0
Total Loans	486,434	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Greenfield Co-operative Bank designates a single assessment area that comprises all of Franklin and Hampshire Counties, as well as part of Hampden County, all located in the Springfield MA MSA (44140).

Economic and Demographic Data

Greenfield Co-operative Bank's assessment area includes all towns in Franklin and Hampshire County. The Hampden County municipalities of Chicopee, Holyoke, and Springfield were added to the assessment area since the previous evaluation.

The institution's assessment area includes 114 census tracts in Franklin, Hampshire, and Hampden County. The assessment area includes the following income designations:

- 17 low-income tracts,
- 27 moderate-income tracts,
- 45 middle-income tracts,
- 21 upper income tracts, and
- 4 tracts with no income designation.

Since the previous examination, low-income census tracts increased from 1 to 17, moderate-income census tracts increased from 3 to 27, middle-income census tracts increased from 24 to 45, and upper-income census tracts decreased from 22 to 21. The assessment area still includes four census tracts with no income designation. Three out of four of these are in Amherst and are occupied by colleges. The remaining census tract without an income designation is in Springfield where a casino is located. The recently added towns of Chicopee, Holyoke, and Springfield make up 39 of 44 of the low- to moderate-income levels.

The following table illustrates select demographic information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	114	14.9	23.7	39.5	18.4	3.5
Population by Geography	483,064	11.9	24.4	40.3	20.0	3.4
Housing Units by Geography	202,087	11.3	25.7	42.5	20.1	0.4
Owner-Occupied Units by Geography	108,654	3.2	19.6	51.1	26.0	0.0
Occupied Rental Units by Geography	77,458	21.8	33.8	30.6	12.9	0.8
Vacant Units by Geography	15,975	15.9	27.0	41.4	14.5	1.2
Businesses by Geography	39,511	13.6	23.1	37.5	24.3	1.4
Farms by Geography	1,360	2.4	9.6	54.3	33.5	0.3
Family Distribution by Income Level	112,330	28.0	16.9	19.0	36.0	0.0
Household Distribution by Income Level	186,112	29.5	16.3	16.1	38.1	0.0
Median Family Income MSA - 44140 Springfield, MA MSA		\$79,907	Median Housing Value			\$221,469
			Median Gross Rent			\$935
			Families Below Poverty Level			12.4%
<i>Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income;</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 202,087 housing units in the area. Owner-occupied housing units account for 53.9 percent of the housing stock, rental units account for 38.3 percent of the housing stock, and the remaining 7.9 percent of units are vacant. Within the 44 low- and moderate -income tracts, owner -occupied housing units account for 22.8 percent of total units, compared to 77.1 percent in the middle- and upper -income census tracts.

The median housing value in 2020 based on ACS data was \$221,469. HMDA public information reflected the average loan originated for 1-4 family purchase loans was \$247,824 in 2021 and increased to \$268,914. in 2022. This reflects an increase in home prices in even the last year.

According to 2023 D&B data, there were 39,511 non -farm businesses and 1,360 farms located in the assessment area. Gross Annual Revenue (GAR) for these businesses are as follows:

- 86.7 percent have \$1.0 million or less,
- 3.8 percent have more than \$1.0 million,
- 9.5 percent have unknown revenues.

Service Industries represent the largest portion of businesses at 38.7 percent, followed by non -classifiable establishments (17.7 percent), retail trade (12.7 percent), finance, insurance, and real estate (9.5 percent), and construction (6.5 percent). It is noted that the majority of businesses in the assessment area are very small; 84.0 percent of businesses have GARs of less than \$500,000, 64.6 percent of businesses have one to four employees, and 89.6 percent operate a single location.

Data obtained from the U.S. Bureau of Labor Statistics indicates that the 2022 annual average unemployment rate was 3.8 percent statewide, 3.4 percent in Franklin County, 3.4 percent in Hampshire County, and 4.9 percent in Hampden County. The higher unemployment rate in Hampden County suggests greater needs in that portion of the assessment area. Similarly, A low-income level of \$47,300, coupled with a relatively high poverty level of 12.4 percent, reflects economic challenges for low-income families. The following table reflects low- and moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield, MA MSA Median Family Income (44140)				
2022 (\$91,300)	<\$45,650	\$45,650 to <\$73,040	\$73,040 to <\$109,560	≥\$109,560
2023 (\$94,600)	<\$47,300	\$47,300 to <\$75,680	\$75,680 to <\$113,520	≥\$113,520
<i>Source: FFIEC</i>				

Competition

The assessment area is moderately competitive in the deposit market for financial institutions. According to 2023 FDIC Deposit Market Share data there were 31 financial institutions that operated 150 full-service branches within the bank’s assessment area. Greenfield Co-operative Bank ranked 6th with a 6.7 percent deposit market share. The top three lenders consist of TD Bank, Florence Bank, and M&T Bank, which collectively make up 24.0 percent of the market share.

There is a high level of competition for home mortgage loans among several banks, credit unions and non-depository lenders in the bank’s assessment area. In 2022, there were 344 lenders that originated or purchased 11,484 home mortgage loans. Greenfield Co-operative Bank ranked 10th with 2.2 percent market share.

The analysis of small business loans in this evaluation does not include comparisons to aggregate data, as the bank is not required to report small business loans. However, examiners referenced the data to determine the level of demand and competition in the area for small business lending. According to 2022 market share data, 116 lenders reported 14,528 small business loans, suggesting a high level of competition for small business lending in the area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help assess credit and community development needs. The information obtained helps to determine whether local financial institutions are responsive to these needs and shows what credit and community development opportunities, if any, are available. Examiners contacted a representative from a community organization which serves the assessment area.

The contact recognized an added pressure put onto low- and moderate-income families, as the cost increases for essentials (e.g., groceries and gas), making it difficult to keep up with the cost of living

in the area. The contact also identified a need for more affordable housing within the assessment area. There was mention of relatively lower housing values in Western Massachusetts compared to other parts of the state, however affordable rent or mortgages in this area remain difficult to find. The shifting population, due to immigration, is assisting in improving the workforce in the restaurant industry and other relatively low skilled jobs, however this is coupled with an increased need for limited English proficiency resources.

The contact recognized a significant need for business credit in Hampden County, as well as towns like Orange, Massachusetts. Loans with flexible collateral criteria hold an appeal for sole proprietor businesses for individuals in low- and moderate- income households. Local businesses could benefit from having better access to revolving lines of credit to assist in the growth and working capital of their company. The contact made note of an initiative to collaborate surrounding restaurants with food pantries to help stabilize food insecurity concerns, as well as generate economic development.

The contact mentioned local community banks in the area are involved in the community and named Greenfield Co-operative Bank as a partner for local organizations through loans, services, as well as grants.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact and the bank, as well as available economic and demographic data, to determine the assessment area's primary credit needs. Based on the assessment area's increasing housing costs, coupled with high poverty levels, the community would greatly benefit from access to more affordable housing. Additionally, social services for low- and moderate-income individuals, such as food pantries, appear to be in need. Small businesses in the community could also benefit from access to more flexible credit options.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Greenfield Co-operative Bank demonstrated High Satisfactory performance under the Lending Test. The following sections summarize the bank's overall performance under each criterion.

Loan-to -Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. Given the information calculated from Call Report data, the bank averaged 67.4 percent over the past 14 calendar quarters from September 30, 2020 to December 31, 2023. The ratio ranged from a low of 63.3 percent as of March 31, 2022, to a high of 73.8 percent as of December 31, 2023. The low point in the bank's loan to deposit ratio is attributed to a peak in deposits during the same quarter. Deposits grew from 2020 through 2022 as a result of excess deposits driven by stimulus checks and PPP financing. Deposits began to normalize in late 2022 as rate competition increased and the bank elected to focus on its core depositors. The bank's loan portfolio increased in the most recent quarter due to bank strategy and the timing of commercial loan originations.

While the average loan to deposit ratio is relatively low, the increasing trend mitigates concerns. Additionally, the institution ranked 10th out of 344 lenders in the 2022 peer market share data. This reflects a continued focus on reinvesting bank deposits in the assessment area through originating a relatively high volume of loans.

The following table illustrates the bank's ratio compared to other similarly situated institutions (SSI's).

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
Monson Savings Bank	\$657,467	85.6%
Greenfield Savings Bank	\$1,157,002	82.2%
Greenfield Co-operative Bank	\$745,810	67.4%

Source: Reports of Condition and Income 09/30/2020- 12/31/2023

Assessment Area Concentration

The bank originated a high percentage of home mortgage loans and small business loans, by number and dollar volume, within its assessment area. Please refer to the table below.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	250	95.8	11	4.2	261	60,326	85.5	10,202	14.5	70,528
2023	211	95.5	10	4.5	221	53,993	93.0	4,044	7.0	58,039
Subtotal	461	95.6	21	4.4	482	114,319	88.9	14,246	11.1	128,564
Small Business										
2022	36	83.7	7	16.3	43	8,430	83.1	1,720	16.9	10,150
2023	27	79.4	7	20.6	34	4,914	74.2	1,706	25.8	6,620
Subtotal	63	81.8	14	18.2	77	13,344	79.6	3,426	20.4	16,770
Total	524	93.7	35	6.3	559	127,663	87.8	17,672	12.2	145,334
<i>Source: Bank Data</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's performance of home mortgage lending in low- and moderate -income census tracts and efforts the bank is taking to extend their lending, supports this conclusion. Examiners focused on the percentage of loans by number in low- and moderate -income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank’s performance was below aggregate performance for low-income census tracts in 2022, and the bank’s performance was also below the percentage of owner-occupied housing units in the same areas. The number of loans originated in low-income census tracts doubled in 2023 and was more comparable to the percentage of owner-occupied housing units.

The bank’s performance was below aggregate performance and percentage of owner-occupied housing units for moderate-income census tracts in 2022. The number of loans in moderate-income census tracts decreased in 2023 but remained comparable to 2022. The performance remained below the demographic.

The demographics and lending market help explain the banks’ performance. As explained in the performance context, the newly added towns of Chicopee, Holyoke, and Springfield make up 39 out of the 44 low- and moderate-income census tracts. These three towns comprise the majority of lending activity for peers but the minority of lending for the bank. This is understandable given the bank’s branching and historical lending occurred in Franklin and Hampshire counties. The peer

market supports this conclusion. The bank ranked 3rd out of 287 lenders for loans in moderate-income census tracts (there were no low-income census tracts) in Franklin and Hampshire Counties. By comparison, the bank ranked 37th out of 212 lenders in the Hampden County portion of the bank's assessment area in low- and moderate-income census tracts. This information reflects significant competition and challenges in lending to the new assessment area.

The bank has acknowledged these challenges and has made efforts to improve their performance in the new assessment area. The bank has recently hired a mortgage loan originator with experience focused on Hampden County. The bank has also increased its marketing in the new assessment area. These efforts reflect an investment in the three towns that comprise the majority of low- and moderate-income census tracts.

The following table illustrates the bank's performance against the aggregate performance in 2022 and 2023 in both low- and moderate -income census tracts.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	3.2	5.7	2	0.8	712	1.2
2023	3.2	--	5	2.4	1,867	3.5
Moderate						
2022	19.6	25.1	31	12.4	10,388	17.2
2023	19.6	--	24	11.4	5,785	10.7
Middle						
2022	51.1	47.8	156	62.4	32,224	53.4
2023	51.1	--	125	59.2	28,052	52.0
Upper						
2022	26.0	21.3	59	23.6	16,374	27.1
2023	26.0	--	57	27.0	18,288	33.9
Not Available						
2022	0.0	0.1	2	0.8	628	1.0
2023	0.0	--	0	0.0	0	0.0
Total						
2022	100.0	100.0	250	100.0	60,326	100.0
2023	100.0	--	211	100.0	53,993	100.0
<i>Source: 2020 ACS; Bank Data, 2022 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion. The bank remained below the business demographics in low-income census tracts in 2022 and 2023. The bank’s small business lending in moderate-income census tracts also remained below area demographics for both years. However, the number of small business loans in moderate-income areas increased in 2023 bringing performance more comparable to demographics than in previous years.

Performance context helps explain small business lending patterns. Approximately 86.2 percent of the businesses in low- and moderate-income census tracts are located in the newest portion of the assessment area. The bank continues to make efforts to increase its lending in the Hampden County area.

The following table illustrates the bank's lending to small businesses by census tract income level.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2022	13.5	2	5.6	587	7.0
2023	13.6	1	3.7	23	0.5
Moderate					
2022	22.9	3	8.3	938	11.1
2023	23.1	4	14.8	1,749	35.6
Middle					
2022	37.6	25	69.4	5,431	64.4
2023	37.5	21	77.8	2,642	53.8
Upper					
2022	24.4	6	16.7	1,474	17.5
2023	24.3	1	3.7	500	10.2
Not Available					
2022	1.5	0	0.0	0	0.0
2023	1.4	0	0.0	0	0.0
Total					
2022	100.0	36	100.0	8,430	100.0
2023	100.0	27	100.0	4,914	100.0

Source: 2022 & 2023 D&B Data; Bank Data

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. Examiners focused on comparisons

to aggregate data and area demographics. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers, as well as the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgages to individuals of different income levels, including low - and moderate -income borrowers is reasonable. The bank was below the aggregate performance and percentage of families in lending to low-income borrowers in 2022. The bank's performance among borrowers with the same income level in 2023, was slightly lower than the prior year and remained below the demographic.

The bank's performance in lending to moderate-income borrowers was below the aggregate performance, however exceeded the percentage of families in 2022. Although the lending in 2023 decreased, it remained comparable to percentage of families.

The demographics and market share data help explain the bank's performance. A low-income family in the assessment area earns a median income of \$47,300. A family at this income level would experience challenges in qualifying for a home mortgage in the area, given the average credit originated for a one to four family house was approximately \$268,914 in 2022. This, coupled with the poverty level of 12.4 percent, explains a difference between the demographic of low-income families and the percentage of low-income families that may qualify for residential loans.

Additionally, nearly 33,000 of the 50,531 low- and moderate-income level families are within the newly added towns of Chicopee, Holyoke, and Springfield. These three towns comprise the majority of lending activity for peers but the minority of lending for the bank. This is understandable given the bank's branching and historical lending occurred in Franklin and Hampshire counties. Within the three new towns, the bank ranked 53rd out of 169 lenders for low- and moderate-income levels, holding a 0.3 percent market share. However, in Franklin and Hampshire counties, where the bank's historical presence exists', the bank ranked 4th out of 152 lenders, with a 4.3 percent market share. This information helps explain the differences between bank and aggregate performance.

The bank is aware of their challenges and has taken steps to improve their performance. The bank offers several income-based mortgage programs in their service repertoire to assist in the lending to low- and moderate-income households. Some of these programs are Home Ready, Equity Builder Program (EBP), and Lift Up Homeownership. Additionally, the bank hired a new CRA officer to facilitate the growth and development within the new portion of the assessment area. These efforts reflect an investment the bank has made in ensuring credit access to low- and moderate-income families.

The following table illustrates the bank's lending to borrowers of different income levels in the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	28.0	8.7	14	5.6	1,058	1.8
2023	28.0	--	9	4.3	1,038	1.9
Moderate						
2022	16.9	29.4	50	20.0	6,261	10.4
2023	16.9	--	27	12.8	3,563	6.6
Middle						
2022	19.0	24.4	63	25.2	11,975	19.9
2023	19.0	--	37	17.5	7,060	13.1
Upper						
2022	36.0	24.0	74	29.6	17,866	29.6
2023	36.0	--	96	45.5	26,262	48.6
Not Available						
2022	0.0	13.6	49	19.6	23,166	38.4
2023	0.0	--	42	19.9	16,069	29.8
Total						
2022	100.0	100.0	250	100.0	60,326	100.0
2023	100.0	--	211	100.0	53,993	100.0
<i>Source: 2020 ACS; Bank Data, 2022 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1.0 million or less. As shown in the following table, a majority of loans originated by the bank in 2022 and 2023 were to businesses with GARs of \$1.0 million or less. The bank's percentage of loans originated to small businesses increased from 2022 to 2023. The bank's performance was below the demographic of small businesses for both years. However, publicly available aggregate information reflects that reporting institutions provided a far lower percentage of loans to smaller businesses (approximately 52.5 percent). This performance context reflects a smaller market for small businesses that may qualify for conventional financing.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Business Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2022	85.5	24	66.7	3,734	44.3
2023	86.4	21	77.8	3,938	80.1
>\$1,000,000					
2022	4.1	12	33.3	4,696	55.7
2023	3.8	6	22.2	976	19.9
Revenue Not Available					
2022	10.4	0	0.0	0	0.0
2023	9.8	0	0.0	0	0.0
Total					
2022	100.0	36	100.0	8,430	100.0
2023	100.0	27	100.0	4,914	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data,</i>					

Response to Complaints and Fair Lending Policies and Procedures

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

Minority Application Flow

The bank’s HMDA LARs for 2022 and 2023 were reviewed to determine if the application flow from the different racial groups within the bank’s assessment area was reflective of the assessment area’s demographics.

According to the 2020 ACS Census Data, the bank’s assessment area contained a total population of 483,064 individuals of which 40.7 (196,820) percent are minorities. The minority population represented is 10.3 percent Black/African American, 4.9 percent Asian/Pacific Islander, 0.2 percent American Indian/Alaskan Native, and 0.6 percent other. Approximately 25.0 percent of the population is Hispanic or Latino.

The bank’s loan applications in 2022 were compared with 2022 aggregate lender application flow performance of the same year. The bank’s activity in 2023 was also evaluated. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received

from minority home mortgage loan applicants. Refer to the table below for information on bank’s minority application flow as well as the aggregate lenders in the bank’s assessment area.

MINORITY APPLICATION FLOW					
RACE	Bank 2022 HMDA		2022 Aggregate Data	Bank 2023 HMDA	
	#	%	%	#	%
American Indian/ Alaska Native	2	0.6	0.5	1	0.4
Asian	8	2.4	2.4	5	1.8
Black/ African American	2	0.6	7.8	1	0.4
Hawaiian/Pacific Islander	1	0.3	0.3	0	0.0
2 or more Minority	0	0.0	0.3	0	0.0
Joint Race (White/Minority)	8	2.4	1.6	6	2.2
Total Racial Minority	21	6.3	12.9	13	4.8
White	228	69.4	60.2	179	65.8
Race Not Available	70	24.3	26.9	80	28.4
Total	329	100.0	100.0	272	100.0
ETHNICITY					
Hispanic or Latino	11	3.4	15.3	7	2.6
Joint (Hisp/Lat /Not Hisp/Lat)	7	2.1	1.5	7	2.6
Total Ethnic Minority	18	5.5	16.8	14	5.2
Not Hispanic or Latino	232	70.5	59.4	179	65.8
Ethnicity Not Available	79	24.0	23.8	79	18.0
Total	329	100.0	100.0	272	100.0
<i>Source: ACS Census 2020, HMDA Aggregate Data 2020 and 2021, HMDA LAR Data 2020 and 2021</i>					

In 2022, The bank received 329 HMDA reportable loan applications within its assessment area. Of these applications, 6.3 percent were received from racial minority applicants. This was below aggregate performance of 12.9 percent of its applications from racial minority individuals. The bank’s racial minority application flow was comparable in 2023 at 4.8 percent.

The bank received 18 or 5.5 percent of all applications from ethnic groups of Hispanic origin within its assessment area in 2022. This was below an aggregate ethnic minority application rate of 16.8 percent. In 2022, The bank’s ethnic minority application flow was comparable in 2023 at 5.2 percent.

The bank’s minority application flow in 2022 and 2023 reflect an adequate racial minority application flow, despite being below aggregate activity. The primary factor contributing to the difference is the institution’s recently expanded assessment area to include Springfield, Chicopee and Holyoke. These towns comprise 41 of the assessment area’s 42 majority-minority census tracts and 77.5 percent of the minority population. As a new portion of the assessment area, the bank has no current branch presence in these towns, and a limited lending footprint from a historical perspective. This corresponds to bank’s lending activity, as approximately 7.9 percent of applications are received from these three cities in 2022. Conversely, this new portion of the assessment area accounts for 55.9 percent of all applications received from aggregate lenders in the assessment area. The aggregate market’s larger proportion of lending activity in the cities that

primarily comprise the majority minority census tracts in the assessment area correlates to a difference in minority application flow.

The bank conducts annual monitoring including an analysis of application flow in majority minority tract application flow and is cognizant of challenges and fair lending risks. In response the bank’s marketing strategy and hiring reflect efforts to make credit accessible to majority-minority populations. The clearest example of the bank’s efforts includes the recent hiring of a bilingual mortgage originator focused on the Hampden County portion of the assessment area. The bank’s billboard and radio marketing reflect attention in these same areas. Additionally, the bank’s community development activity including donations and services correlates to their marketing strategies in Hampden County.

Considering the demographic composition of the assessment area, comparisons to aggregate data, and the bank’s fair lending controls, the bank’s minority application flow reflects reasonable performance.

COMMUNITY DEVELOPMENT TEST

Greenfield Co-operative Bank demonstrated Outstanding performance under the Community Development Test. The bank demonstrated good responsiveness to the assessment area’s community development needs through community development services, qualified investments and community development loans. The bank’s activity significantly improved since the previous evaluation, and the impact of the community development activity exhibits responsiveness to needs identified by the community contact and leadership in the assessment area.

Community Development Loans

Greenfield Co-operative Bank originated 31 community development loans totaling \$7.9 million during the evaluation period. The activity represents an increase by number (181.8 percent) and dollar amount (192.6 percent) since the previous evaluation when 11 community development loans for \$2.7 million were originated. The bank’s originations primarily support economic development by financing small businesses and were responsive to the needs identified by the community contact. The bank’s community development activity reflects responsiveness to assessment area needs and examiners were able to consider activity that occurred in the statewide or broader regional area.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
10/8/2020-12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	3	429	18	1,252	21	1,681
2022	1	266	0	0	6	961	0	0	7	1,227
2023	0	0	0	0	3	4,957	0	0	3	4,957
YTD 2024	0	0	0	0	0	0	0	0	0	0
Total	1	266	0	0	12	6,347	18	1,252	31	7,865

Source: Bank Data

The following are notable examples of community development loans:

- The bank originated two loans to a small business in 2021 totaling \$369,000. The purpose of the deal is to purchase commercial property in Ludlow MA. The financing is an SBA 504 loan transaction, completed in coordination with a local Certified Development Company and intended to promote job creation. This loan qualifies for community development by supporting economic development through small business financing.
- The bank originated 18 loans under the Paycheck Protection Program (PPP) in low- and moderate-income areas totaling \$1.3 million. The purpose of these loans was to retain jobs for small businesses during the COVID-19 emergency. These loans were responsive to a need during the evaluation period and qualify for community development as they support the revitalization and stabilization of low- and moderate-income areas.
- The bank financed the purchase of a five-unit residential property in Chicopee MA. The five units maintain rents likely to be occupied by low- or moderate-income individuals in the area based on HUD Fair Market rent levels. The loan originated in 2022 and totals \$266,250. This loan supports affordable housing for low- and moderate-income individuals.
- The bank originated two loans to a small business in 2023 totaling \$4.9 million. The purpose of the deal is to construct a convenience store and gas station in Winchester, New Hampshire. The financing is an SBA 504 loan transaction, completed in coordination with a local Certified Development Company and intended to promote job creation. This loan qualifies for community development by supporting economic development through small business financing.

Community Development Investments

During the evaluation period, Greenfield Co-operative Bank maintained \$1.7 million in qualified investments. This included debt secured investments of approximately \$1.2 million and donations totaling \$470,618. The bank's activity represents a significant increase since the previous evaluation when investments and donations totaled \$271,000. The bank's primary investment by dollar amount focused on affordable housing that benefited low- and moderate-income individuals, while the majority of financial contributions by number supported community development services to low- and moderate – income individuals.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
10/8//20-12/31/20	1	10	5	22	2	6	0	0	8	37
2021	2	10	31	65	6	27	0	0	39	102
2022	3	12	33	111	2	28			38	152
2023	3	17	37	120	3	42	0	0	43	179
YTD 2024	0	0	0	0	0	0	0	0	0	0
Donations Subtotal	9	49	106	318	13	103	0	0	128	471
Qualified Debt Security Investments	1	1,244	0	0	0	0	0	0	1	1,244
Total	10	28,144	106	318	0	0	0	0	129	1,715
<i>Source: Bank Data</i>										

Debt Security Investments

The bank purchased one Fannie Mae Mortgage-Backed Security (MBS) in 2023 totaling \$1.2 million. This investment was secured by an 18-unit project located in Holyoke MA. All units are occupied or likely to be occupied by low- and moderate-income residents based on rent rolls. This investment supports affordable housing for low- and moderate-income individuals. Additionally, this loan exhibits responsiveness to the need identified by the community contact.

Donations

The bank made approximately \$470,618.40 in qualified donations. Community development organizations serving low- and moderate-income individuals and families throughout the assessment area benefited from the donations. Many of the donations provided essentials (utility assistance, groceries) identified by the community contact as a need in the assessment area in the face of rising costs.

The following are examples of qualified grants and donations.

- *LifePath* – This organization is dedicated to the well-being of older adults, individuals with disabilities, and caregivers. Programs include congregate and supportive housing, nutritional assistance, and support groups and resources for caregivers. The bank’s donation to the program supports community services for low- and moderate-income individuals.
- *Children’s Advocacy Center of Franklin County & North Quabbin* - This organization provides education, safety, healing, and justice in hopes to prevent and end child abuse. Their approach is to reduce the investigative interviews and court appearances for each victim, while still providing optimal services. The bank’s donation to the program supports community services for low- and moderate-income individuals.
- *Community Legal Aid (CLA)* - This organization offers free legal services to low-income and elderly individuals in Central and Western Massachusetts. Areas of assistance include elder law, domestic abuse, housing, employment, government benefits, and immigration

services. The bank’s donation to the program supports community services for low- and moderate-income individuals.

- *Amherst Community Connections (ACC)* – This nonprofit organization helps individuals in need of long-term stability for basic resources such as housing, food, jobs, and healthcare. ACC raises awareness within the community to emphasize preventing homelessness, rapid re-housing, affordable housing, and appropriate supportive services. The bank’s donations in each year of the evaluation period supported affordable housing for low- and moderate-income residents.

Community Development Services

During the evaluation period, the bank provided 228 instances of financial expertise or technical assistance to 37 organizations within its assessment area. This level of activity represented an increase from the prior evaluation demonstrating 113 instances. Additionally, the number of instances exceeds that of similarly situated institutions. The community development services represent a combination of management and bank employee involvement, financial education, and community outreach. The majority of the bank’s qualified activities support community services to low and moderate-income. Please see the table below for additional details.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
10/5/2020-2/5/2020	2	38	11	0	51
2021	11	38	11	0	60
2022	4	37	15	0	56
2023	4	31	13	0	48
YTD 2024	0	11	2	0	13
Total	21	155	52	0	228

Source: Bank Data

The following are examples of community development services provided by the bank and its staff.

Employee Involvement

- *Greater Springfield Habitat for Humanity* – A bank Vice President served on the Board of Directors for Greater Springfield Habitat for Humanity during the evaluation period. Habitat for Humanity is a non-profit housing organization that works towards building of decent and affordable housing. Habitat homeowners help build their own homes alongside volunteers and pay an affordable mortgage. This activity qualified as a community development service by supporting affordable housing for low- and moderate-income individuals.
- *Amherst Area Chamber of Commerce* – Two bank employees served on the organizations Board during the evaluation period. The Amherst Area Chamber of Commerce focuses on the economic and professional development of small businesses, collegiate entrepreneurial

programs, free or low-cost business training and technical assistance, and pass-through funding for non-profits. A bank Executive Vice President was a Board member, and a bank Vice President was a member of the Board and Ambassador Committee. This activity qualified for community development by providing economic development opportunities for small businesses.

- *Big Brothers Big Sister of Western Mass (formerly BBBS of Franklin County)* – Five bank employees served in various capacities, including as Treasurer, Finance Committee Member, and participants in the Work Readiness program. Big Brothers Big Sisters provides under-resourced children who face adversity, often those of single parent or low-income households, with long-term mentoring relationships to achieve their full potential. Services are free of charge. This service qualifies as community development by providing a community service for low- and moderate-income individuals.
- *Community Action Pioneer Valley: Volunteer Income Tax Assistance Program (VITA)* – CAPV is one of 23 Community Action Agencies in Massachusetts and assists people with low incomes to achieve economic stability and security. The VITA program provides tax assistance free of charge for income-eligible and limited English-speaking taxpayers through trained volunteers. Three bank employees, a Commercial Loan Officer, an Assistant Vice President, and an Executive Vice President, acted as VITA volunteers in 2020, 2021, and 2022 assisting several hundred taxpayers annually.
- *Massachusetts Money Management Program* - The Massachusetts Money Management Program, with local adv – Based in Greenfield MA, this program assists income-eligible individuals over 60 who are at risk due to an inability manage their own finances. Trained volunteers are paired with local individuals in need to help manage their checking account, organize bills, and develop a budget. A Branch manager of the bank serves on the local Advisory Council of the organization.

Financial Literacy

- *Franklin County Regional Housing and Redevelopment Authority (FCRHRA)* – Three Greenfield Bank employees conducted six multi-session first-time home buyer series in 2021 in partnership with FCRHRA. FCRHRA promotes homeownership and helps Frankling County municipalities finance and implement affordable housing and community development programs in the bank’s assessment area. With the bank pivoting to online education during the COVID-19 pandemic, students received presentations on topics preparing them for the home-buying process. This activity qualifies as a community development service by providing a community service for low- and moderate-income individuals.
- *Valley Community Development Corporation (VCDC)* – Three bank employees conducted thirteen multi-session first-time home buyer series in 2020, 2021, 2022, and 2023. Valley CDC is a Massachusetts certified Community Development Corporation operating in the bank’s assessment area primarily focusing on building and preserving affordable housing units as well as economic development. Online classes prepared students for the home-

buying process. This activity qualifies as a community development service for low- and moderate-income individuals.

- *Credit for Life Fair* – A Greenfield Bank employee participated as an educational financial counselor in Credit for Life Fairs in 2020, 2021, 2022, and 2023 within the Springfield Public Schools. The fairs include interactive workshops exposing students to personal finance learning scenarios. Students are assigned a credit counselor and are engaged in real-world saving, spending, and budgeting simulations. The majority of the students were from low- and moderate-income families. This activity qualifies as a community development service by providing a community service for low- and moderate-income individuals.
- *Amherst Area Chamber of Commerce* – An Executive Vice President conducted a technical presentation to local small businesses in 2020 on the topic of Cyber Security and Phishing. The Amherst Area Chamber of Commerce focuses on the economic and professional development of small businesses, collegiate entrepreneurial programs, free or low-cost business training and technical assistance, and pass-through funding for non-profits. This activity qualified for community development by providing economic development opportunities for small businesses.
- *EverFi* – The bank partners with the online youth education platform EverFi to provide financial literacy opportunities to K-12 students presenting topics to positively impact and develop financial habits. Programs were provided to schools in the assessment area where most of the students were from low or moderate-income families.

Technical Assistance

- *Branch Network Fundraising* – The bank uses its branch network to assist with fundraising for local community organizations. Organizations that benefited included food banks and organizations distributing school supplies to needy students (i.e., Neighbors Helping Neighbors, The Food Bank of Western Mass, and United Way: Women’s Way Supper for Six and Blooming Backpack programs.)
- *Branches* – The branch distribution supports accessibility to areas of economic need and low and moderate-income geographies and individuals. One of the branches within the bank’s network is located in a moderate-income census tract in Greenfield.
- *Interest on Lawyers’ Trust Accounts (IOLTA)* – The bank participated in the program during the evaluation period. Interest earned on IOLTA accounts funds and supports programs that provide civil legal services to low- and moderate-income residents and initiatives that improve the administration of justice in Massachusetts. The bank’s IOLTA program generated \$5,567 during the evaluation period.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 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 63 Federal St Greenfield MA, 01301."

[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.