



THE COMMONWEALTH OF MASSACHUSETTS  
DIVISION OF BANKS  
&

BOARD OF BANK INCORPORATION

1000 Washington Street, 10<sup>th</sup> Floor, Boston, Massachusetts 02118

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March 31, 2016

## ACTIVITY REPORT

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This notice serves to inform you concerning activity involving hearings, decisions, and matters pending before either the Commissioner of Banks or the Board of Bank Incorporation.

### BOARD OF BANK INCORPORATION

#### Hearing

April 12, 2016  
First Floor, Hearing Room 1-E  
1000 Washington Street  
Boston, Massachusetts

At 10:30 a.m.

Spencer, MHC (MHC) and Spencer Mid-tier Holding Company (Mid-Tier), Spencer— permission to become bank holding companies through the direct and indirect acquisition of Southbridge Savings Bank, Southbridge. MHC and Mid-Tier are the mutual holding company and mid-tier stock holding company, respectively, of Spencer Savings Bank, Spencer. Upon consummation of the transaction, MHC and Mid-Tier would be the mutual holding company and mid-tier holding company for both Spencer Savings Bank and Southbridge Savings Bank. Comment period ends April 19, 2016.

### DIVISION OF BANKS

#### Decisions

Alden Credit Union, Chicopee – permission to close its branch office within Big Y Supermarket, 44 Willimansett Street, South Hadley – approved March 3, 2016.

Align Credit Union (Align), Lowell and Holy Family Hospital Employees Federal Credit Union (Holy Family), Methuen – permission for Holy Family to merge with and into Align under the charter, by-laws and name of Align Credit Union. The main office of Align would remain the main office of the continuing institution and the sole banking office of Holy Family would be retained as a branch office for a minimum of 18 months – approved March 18, 2016.

This Activity Report can be accessed within six business days after the above date at the Division's web site found at <http://www.mass.gov/dob/>

Avidia Bank, Hudson – notice to establish a branch office located at 270 Cochituate Road, Framingham – non-objection issued March 30, 2016.

BayCoast Bank, Fall River – permission to (1) redesignate its main office from 30 Bedford Street, Fall River to 1 BayCoast Place, Swansea; and in connection therewith (2) close its current main office of 30 Bedford Street, Fall River – approved March 30, 2016.

Eagle Bank, Everett – permission to close its branch office located at 171 Massachusetts Avenue, Lexington – approved March 11, 2016.

Metro Credit Union (Metro), Chelsea – permission to (1) merge with Newton Teachers Credit Union (Newton Teachers), Newton; and (2) as part of this merger transaction, amend the by-laws of Metro to include Newton Teachers' current membership eligibility. Under the terms of the merger, Newton Teachers will merge with and into Metro under the charter, by-laws and name of Metro Credit Union. The main office of Metro would remain the main office of the continuing credit union and the sole banking office of Newton Teachers would not be retained as a branch office of Metro – approved March 18, 2016.

Pentucket Bank, Haverhill – permission to reorganize into a mutual holding company, Pentucket Bank Holdings, MHC with a mid-tier holding company, Pentucket Bancorp, Inc., in a multi-step transaction – approved March 15, 2016.

#### Applications/Notices Pending

Bank of Canton, Canton – permission to close its branch office located at 166 Harvard Street, Brookline. Comment period ends April 15, 2016.

Cape Cod Five Cents Savings Bank (The), Harwich Port - permission to (1) purchase certain assets and assume certain deposit and other liabilities of the branch office of Mutual Bank located at 668 Main Street, Falmouth; and in connection therewith (2) establish and maintain a branch office at that location; and (3) relocate its branch office from 763 Main Street, Falmouth to 668 Main Street, Falmouth. Comment period ended March 4, 2016.

East Boston Savings Bank, East Boston – notice to establish a mobile branch office. Filed February 2, 2016.

Eastern Bank, Boston – permission to relocate its branch office from 125 Washington Street, Salem to 139 Washington Street, Salem. Comment period ended February 25, 2016.

HarborOne Bank, Brockton – permission to reorganize into a mutual holding company, HarborOne Mutual Bancshares, as part of a multi-step transaction with a mid-tier holding company, HarborOne Bancorp. Inc. (Bancorp) and the issuance of up to 49.9% of the stock of Bancorp. Comment period ends April 1, 2016.

Liberty Bay Credit Union, Braintree – permission to change the location of its main office by (1) closing its current main office located at 300 Granite Street, Braintree; and (2) establishing a branch office at 350 Granite Street, Braintree and in connection therewith, designating such location as the credit union's main office. Comment period ended March 23, 2016.

Liberty Bay Credit Union, Braintree – notice to establish a branch office at 300 Trade Center, Suite 4500, Woburn. Filed March 8, 2016.

Liberty Bay Credit Union, Braintree – permission to close its branch office located at 99E Main Street, Redstone Plaza, Stoneham. Comment period ended March 23, 2016.

Mutual Bank, Whitman – permission to close its branch office located at 668 Main Street, Falmouth. In connection with this petition, Mutual Bank has entered into an agreement whereby The Cape Cod Five Cents Savings Bank, Harwich Port, would, subject to regulatory approval and consummation of the transaction, purchase certain assets and assume certain deposit and other liabilities of that office and maintain that location as a branch office. Comment period ended March 4, 2016.

OneUnited Bank, Boston – permission to close its branch offices located at 1) 6810 La Tijera Boulevard, Los Angeles, CA; and 2) 1335 North Lake Avenue, Pasadena, CA. Comment periods ended March 14, 2016.

Polish National Credit Union, Chicopee – permission to amend its by-laws to expand the associations which qualify persons for membership. The amendment relative to membership eligibility proposes to now add people living, working, or attending any accredited public or private college, university, high school, elementary school, or vocational school in the counties of Hartford, Litchfield, or Tolland, Connecticut. Comment period ends April 13, 2016.

Randolph Savings Bank (Randolph), Randolph and First Federal Savings Bank (First Federal), Boston – permission for First Federal to merge with and into Randolph under the charter, by-laws and name of Randolph as part of a multi-step transaction. The main office of Randolph would remain the main office of the continuing institution and the sole banking office of First Federal would be retained as a branch office of Randolph. Comment period ended November 12, 2015.

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APRIL 2016 FILING DATE

Complete applications for the April Activity Report must be received by the Division or the Board on or before 5:00 p.m., Friday, April 15, 2016.

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**COMMUNITY REINVESTMENT ACT DESCRIPTIVE RATINGS AND EVALUATIONS  
WHICH BECAME PUBLIC DURING THE MONTH**

The following state-chartered banks and credit unions and licensed mortgage lenders have Community Reinvestment Act descriptive ratings and evaluations describing the basis for the rating issued by the Division of Banks. The ratings, as set out in statute, for a bank's or credit union's record of meeting community credit needs are: Outstanding (O); High Satisfactory (HS); Satisfactory (S); Needs to Improve (NI); and Substantial Noncompliance (SNC). Licensed mortgage lenders are also assigned one of these ratings to describe their record of meeting the mortgage credit needs in the Commonwealth of Massachusetts.

A consolidated list of all ratings can be found at [www.mass.gov/dob](http://www.mass.gov/dob).

A copy of an individual CRA evaluation is available directly from the bank, credit union, or mortgage lender which is required by law to make the material available upon request, or from the Division's web site.

<u>BANK/CREDIT UNION</u>	<u>RATING</u>	<u>DATE OF EXAMINATION</u>
Freedom Credit Union, Springfield	S	09/14/2015
Eagle Bank, Everett	S	11/09/2015
Pentucket Bank, Haverhill	S	10/26/2015
PeoplesBank, Holyoke	S	05/04/2015
Southbridge Credit Union, Southbridge	S	11/16/2015
St. Anne Credit Union, New Bedford	S	11/02/2015

## REGULATIONS

### FILING OF PROPOSED AMENDMENTS

On March 16, 2016, the Division of Banks filed [proposed amendments to 209 CMR 40.00: Unfair and Deceptive Practices in Consumer Transactions](#), which are the implementing regulations for Massachusetts General Laws chapter 167, section 2A, with the Clerk of the Massachusetts House of Representatives. This statute authorizes the Commissioner of Banks to promulgate regulations, subject to Legislative review, governing high cost, high rate mortgage loans; require certain disclosures; and include certain prohibitions. The proposed amendments are intended to streamline 209 CMR 40.00 for easier compliance by providing that compliance with cited provisions of the regulations of the Consumer Financial Protection Bureau (CFPB) constitutes compliance with 209 CMR 40.00. The proposed amendments are also intended to clarify language and improve organization and readability of the regulation in a way that incorporates future federal changes while preserving certain Massachusetts differences that are statutorily required and deemed more advantageous to consumers, including the definition of high cost home loan or high cost mortgage and the method of calculating points and fees.

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### NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Massachusetts General Laws chapter 167, section 14 and chapter 255E, section 8, and in accordance with Massachusetts General Laws chapter 30A, section 2, a public hearing will be held on Monday, April 11, 2016 at 3:00 p.m., 1000 Washington Street, Hearing Room 1-E, Boston, Massachusetts, at which the Division of Banks (Division) will receive oral comments relative to the proposed amendments to 209 CMR 46.00: Community Reinvestment and proposed amendments to regulation 209 CMR 54.00: Mortgage Lender Community Investment.

#### Proposed Amendments to 209 CMR 46.00: Community Reinvestment

209 CMR 46.00 carries out the purpose of the Community Reinvestment Act (CRA) by establishing the framework and criteria by which the Commissioner assesses a state-chartered bank's or state-chartered credit union's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. The regulation also provides that the Commissioner take that record into account in considering certain applications pursuant to 209 CMR 46.29. The Division is proposing to amend the regulation so that there is a limited-scope CRA review for state-chartered credit unions with less than \$50 million in assets and which have field of membership by-laws that are not based on residence in order to reduce the regulatory burden on these smaller institutions. A credit union representing a specific group of employees, or representing a specific employer, would be an example of a credit union which has a field of membership by-law that is not based on residence.

#### Proposed Amendments to 209 CMR 54.00: Mortgage Lender Community Investment

The purpose of 209 CMR 54.00 is to carry out the Mortgage Lender Community Investment (MLCI) purposes of Massachusetts General Laws chapter 255E, section 8 by establishing the framework and criteria by which the Commissioner assesses a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. The regulation also provides that the Commissioner take that record into account in considering certain applications pursuant to 209 CMR 54.26. Under this regulation, there are two tests, the Lending Test at 209 CMR 54.22, and the Service Test, at 209 CMR 54.23. The Lending Test evaluates a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth through its lending activities by considering a mortgage lender's home mortgage and community development lending. The Service Test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by

analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. The proposed amendments to 209 CMR 54.00 would allow mortgage lenders who made fewer than 100 loans in the prior calendar year (eligible lenders) to be excluded from the criteria of the Service Test, with one exception. The loss mitigation services component of the Service Test would be added to the criteria of the Lending Test, and would therefore remain part of the MLCI examination for eligible lenders.

Proposed Repeal of 209 CMR 4.00: Compliance with Federal Law and Regulation  
and Proposed Amendments to 209 CMR 43.00: Audit Requirements for Credit Unions

In addition, the Division notes that two other regulatory matters are also the subject matter of this public hearing, the proposed repeal of 209 CMR 4.00: Compliance with Federal Law and Regulation, and the proposed amendments to 209 CMR 43.00: Audit Requirements for Credit Unions. The public hearing notice, the proposed repeal and the proposed amendments were published in the Massachusetts Register on March 11, 2016.

Additional changes may be made based on comments received at the public hearing or during the comment period.

Written comments may be submitted to the Massachusetts Division of Banks, 1000 Washington St., 10<sup>th</sup> Floor, Boston, MA 02118-6400 or at [dob.comments@state.ma.us](mailto:dob.comments@state.ma.us) until 5:00 p.m. on Thursday, April 14, 2016. Copies of the proposed amendments are available at, and copies may be obtained from, the Massachusetts Division of Banks or at [www.mass.gov/dob](http://www.mass.gov/dob).

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Proposed amendments to regulation 209 CMR 50.00: *Parity with Federal Credit Unions* remain pending. Additional updates will be posted on the Division's website at [www.mass.gov/dob](http://www.mass.gov/dob).

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The Division's review of each of the Division's regulations is ongoing pursuant to Executive Order 562, issued by Governor Baker on March 31, 2015. Updates on the Division's review of its regulations will be posted on the Division's website at [www.mass.gov/dob](http://www.mass.gov/dob).

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BANK AND CREDIT UNION APPLICATION PROCESS TIMING

As a general rule, applications by banks and credit unions other than those that are subject to a review period set out in statute are intended to be processed and completed within the monthly cycle for which the bank and credit union applies. That review period for such processing is approximately 45 days or less from the date the application is filed with the Division. A decision on the application is generally issued within 5 business days after the review period is completed. The decision then will be reported on the monthly Activity Report for the month in which the decision was issued. The timing of the overall review process including the issuance of a decision and the listing on the monthly Activity Report will be dependent on the applicant's compliance with all statutory, regulatory and administrative requirements. Applications before the Massachusetts Board of Bank Incorporation are subject to separate timing schedules as set out in the applications of the Board.

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