

PUBLIC DISCLOSURE

September 25, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Martha's Vineyard Savings Bank
Certificate Number: 90190

78 Main Street
Edgartown, MA 02539

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 rating **Outstanding**.

An institution in this group has an excellent 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 High Satisfactory

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a substantial majority of its home mortgage loans within the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels.
- The institution did not receive any CRA-related complaints during the evaluation period; therefore, this factor did not affect the rating.

The Community Development Test is rated Outstanding

- The institution's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through qualified community development loans, investments, and services. Examiners considered the institution's capacity, and the need and availability of such opportunities throughout the assessment area.

DESCRIPTION OF INSTITUTION

Background

On November 1, 2007, Dukes County Savings Bank and The Martha's Vineyard Co-operative Bank merged to become Martha's Vineyard Savings Bank. Martha's Vineyard Savings Bank is a state chartered mutual savings bank headquartered in Edgartown, Massachusetts. The bank operates in Dukes and Barnstable Counties.

The bank's CRA performance was last evaluated by the Division on August 10, 2020 and was rated "Outstanding" using the Interagency Intermediate Small Institution Examination Procedures.

Operations

The bank's main branch is located in Edgartown, Massachusetts. The bank operates nine other full-service branches in its assessment area. All full-service branches have automated teller machines (ATMs) that take deposits. The bank also has two interactive teller machines (ITMs) with videoconferencing retail services to provide live assistance. The bank also operates eight stand-alone ATMs.

Martha's Vineyard Bank offers a full array of deposit and lending products for individuals and businesses. The deposit products include checking accounts, savings accounts, business deposit accounts, certificates of deposit, and money market deposit accounts. Home loan products include fixed- and adjustable-rate mortgages with a range of terms and down payment options, home partnership loans, construction loans, and home equity loans. The bank also offers personal credit cards. The bank also offers a variety of business lending products including commercial mortgages, construction loans, business term loans, lines of credit, SBA loans, and business credit cards.

Ability and Capacity

As of June 30, 2023, Martha's Vineyard Bank reported total assets of \$1.3 billion, of which loans totaled \$1.2 billion. Deposits totaled \$1.1 billion. Residential lending represented the majority of the loan portfolio, followed by commercial loans, which is consistent with the previous evaluation. The following table further illustrates a breakdown of the bank's loan portfolio.

Loan Portfolio Distribution as of 06/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	63,795	5.4
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	796,527	67.7
Secured by Multifamily (5 or more) Residential Properties	32,236	2.7
Secured by Nonfarm Nonresidential Properties	243,334	20.7
Total Real Estate Loans	1,135,892	96.6
Loans to Depository Institutions	1,937	0.2
Commercial and Industrial Loans	30,482	2.6
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	7,779	0.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	81	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	1,176,171	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not add to 100.0%</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 AREA

Martha's Vineyard Bank designated a single assessment area that comprises all of Dukes County and a portion of Barnstable County. The bank's CRA assessment area is composed of the Dukes County towns of Chilmark, Edgartown, Oak Bluffs, and Tisbury, as well as the Barnstable County town of Falmouth.

Economic and Demographic Data

The assessment area includes 12 census tracts with the following income designations according to the 2020 U.S. Census:

- No low-income tracts,
- 3 moderate-income tracts,
- 7 middle-income tracts,
- 1 upper-income tract, and
- 1 tract without an income designation

The 2020 U.S. Census adjusted the income designation of several census tracts within the assessment area when compared with the 2015 U.S. Census data. The number of low-income census tracts did not change, the number of moderate-income tracts increased by one, the number of middle-income tracts decreased by one, the number of upper-income tracts did not change, and the number of tracts without an income designation did not change. The total number of census tracts remained consistent.

During this evaluation, examiners used 2015 ACS data to analyze 2020 and 2021 activity. Examiners used the 2020 U.S. Census Data to analyze 2022 lending activity.

The following table illustrates select demographic characteristics of the assessment area based on 2020 Census Data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	25.0	58.3	8.3	8.3
Population by Geography	53,117	0.0	26.2	65.1	8.6	0.0
Housing Units by Geography	40,018	0.0	24.3	66.8	8.9	0.0
Owner-Occupied Units by Geography	16,058	0.0	27.6	63.2	9.2	0.0
Occupied Rental Units by Geography	4,812	0.0	29.2	66.9	3.9	0.0
Vacant Units by Geography	19,148	0.0	20.4	69.8	9.9	0.0
Businesses by Geography	7,334	0.0	23.9	69.1	6.9	0.0
Farms by Geography	301	0.0	21.6	73.4	5.0	0.0
Family Distribution by Income Level	12,522	22.0	17.8	20.7	39.5	0.0
Household Distribution by Income Level	20,870	24.3	19.5	16.8	39.5	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$99,410	Median Housing Value			\$626,997
Median Family Income Non-MSAs – MA		\$107,833	Median Gross Rent			\$1,396
			Families Below Poverty Level			3.9%

Source: 2020 ACS, 2022 D&B Data, and FFIEC Estimated Median Family Income;
 (*) The NA category consists of geographies that have not been assigned an income classification.

The median housing value for the assessment area is \$626,997 and the median family income ranges from \$99,410 to \$107,833. Approximately 3.9 percent of families in the assessment area are below poverty level, which is a subset of the low-income category. Families in this category likely face challenges qualifying for traditional residential mortgages, especially considering the high median housing value.

The following table shows the median family income ranges in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Barnstable Town, MA MSA Median Family Income (12700)				
2021 (\$89,300)	<\$44,650	\$44,650 to <\$71,440	\$71,440 to <\$107,160	≥\$107,160
2022 (\$115,600)	<\$57,800	\$57,800 to <\$92,480	\$92,480 to <\$138,720	≥\$138,720
MA NA Median Family Income (99999)				
2021 (\$111,700)	<\$55,850	\$55,850 to <\$89,360	\$89,360 to <\$134,040	≥\$134,040
2022 (\$119,400)	<\$59,700	\$59,700 to <\$95,520	\$95,520 to <\$143,280	≥\$143,280

Source: FFIEC

As shown in the previous table, median family income levels increased throughout the evaluation period. From 2021 to 2022, the median family income increased by 29.5 percent and 6.9 percent in the Barnstable Town, MA MSA and MA NA, respectively.

Competition

The assessment area represents a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, there were nine financial institutions operating 28 branches in the assessment area. Martha's Vineyard Bank ranked 1st with a market share of 33.8 percent.

The market for mortgage lending is also competitive among banks, credit unions, and non-depository lenders. According to 2022 Peer Mortgage Data, 228 lenders reported 2,480 originated or purchased home mortgage loans. Martha's Vineyard Bank ranked 2nd with 9.4 percent market share. The leading lender within the assessment area was The Cape Cod Five Cents Savings Bank, with a market share of 19.2 percent.

Community Contacts

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 shows what credit and community development opportunities are available and helps determine whether local financial institutions are responsive to these needs.

Examiners interviewed an organization involved in affordable housing within the assessment area. The organization stated that both seasonal and year-round employers are having issues with hiring workers because of a lack of housing stock. Construction costs have dramatically risen within the assessment area, making the addition of housing units difficult. Further adding to the problem is the prevalence of second homes and short-term rentals.

Credit and Community Development Needs and Opportunities

Based on demographic and economic information, discussion with management and community contacts, examiners determined affordable housing as the primary need of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation assessed Martha's Vineyard Bank's CRA performance from the prior evaluation, dated August 10, 2020, to the current evaluation, dated September 25, 2023. Examiners used Interagency Intermediate Small Institution CRA Examination Procedures, which include the CRA Lending Test- and the Community Development Test (see Appendices for a complete description).

Activities Reviewed

Examiners determined that the bank's major product line is home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Examiners did not consider small business, small farm loans, or consumer loans due to the nominal percentage of these types of loans.

Examiners analyzed all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2020, 2021, and 2022. The bank reported 411 loans totaling \$257.0 million in 2020, 492 loans totaling \$328.2 million in 2021, and 278 loans totaling \$222.6 million in 2022. Management indicated that the volume of home mortgage originations contracted in 2022 due to the higher interest rate environment. Examiners compared the bank's 2021 and 2022 performance to aggregate lending data and 2015 ACS demographic data. Examiners presented data from 2020, 2021 and 2022 in the Assessment Area Concentration table.

Examiners obtained economic information in this evaluation from the D&B, Moody's Analytics, United States (U.S.) Bureau of Labor Statistics, and Federal Reserve Bank website. The June 30, 2023, Report of Income and Condition (Call Report) provided the financial data.

For the Lending Test, examiners analyzed and presented the number and dollar volume of home mortgage loans. However, examiners emphasized performance by number of loans because it is a greater indicator of the number of individuals and business served. As part of the Community Development Test, examiners considered the number and dollar amount of qualified community development loans and investments, and the number of community development services from the prior evaluation dated August 10, 2020, through the current evaluation dated September 25, 2023.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank demonstrated good performance under the Lending Test. The following sections summarize the bank's performance under each criterion.

Loan-to-Deposit Ratio

The Loan-to-Deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 99.7 over the past 12 calendar quarters from September 30, 2020, to June 30, 2023. The LTD ratio ranged from a low of 94.1, as of September 30, 2021, to a high of 107.3, and of June 30, 2023. The LTD ratio has fluctuated over the evaluation period and is higher than similarly situated institutions, as shown in the table below. Examiners selected comparable institutions based on their asset size, geographic location, and loan composition.

Loan-to-Deposit (LTD) Ratio Comparison		
Name	Total Assets as of 6/30/2023 (\$000s)	Average Net LTD Ratio (%)
Martha's Vineyard Bank	1,340,291	99.7
Cape Cod Co-operative Bank	1,524,090	87.1
Seamens Bank	453,393	57.8
<i>Source: Reports of Condition and Income 09/30/2020 – 06/30/2023</i>		

Assessment Area Concentration

The bank made a substantial majority of home mortgage loans, by number and dollar volume, within its assessment area. The percentage of home mortgage loans inside the assessment area was consistent throughout the evaluation period. The following table illustrates the bank's home mortgage lending 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				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	375	91.2	36	8.8	411	236,135	91.9	20,820	8.1	256,955
2021	437	88.8	55	11.2	492	297,045	90.5	31,105	9.5	328,150
2022	233	83.8	45	16.2	278	192,585	86.5	30,025	13.5	222,610
Total	1,045	88.5	136	11.5	1,181	725,765	89.9	81,950	10.1	807,715
<i>Source: Bank Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area among low- and moderate-income census tracts.

The assessment contains no low-income census tracts. In 2021, 13.0 percent of the bank's home mortgage loans within the assessment area originated in moderate-income census tracts. This exceeds the aggregate performance, 7.9 percent, and area demographics, 5.7 percent. In 2022, the bank's level of lending in moderate-income census tracts increased to 21.9 percent. This trailed both the aggregate, 25.8 percent, and area demographics, 27.6 percent. The increase in percentages for the bank, the aggregate, and the demographic numbers is, in part, due to the 2020 U.S. Census redesignating a census tract as moderate-income. The new moderate-income census tract is located in Falmouth, where the institution has less of a presence than in Dukes County.

The following table depicts the geographic distribution of home mortgage loans in the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
Moderate						
2021	5.7	7.9	57	13.0	35,895	12.1
2022	27.6	25.8	51	21.9	33,195	17.2
Middle						
2021	75.9	76.7	355	81.2	250,425	84.3
2022	63.2	65.0	180	77.3	158,280	82.2
Upper						
2021	18.4	15.5	25	5.7	10,725	3.6
2022	9.2	9.2	2	0.9	1,110	0.6
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
Total						
2021	100.0	100.0	437	100.0	297,045	100.0
2022	100.0	100.0	233	100.0	192,585	100.0
<i>Source: 2020 ACS; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes within the assessment area.

In 2021, Martha’s Vineyard Bank originated 3.7 percent of its home mortgage loans within the assessment area to low-income borrowers. This is comparable to the aggregate, 3.6 percent, and below area demographics. In 2022, the bank originated 3.0 percent of its home mortgage loans within the assessment area to low-income borrowers. This is below both the level of aggregate lending, 7.1 percent, and area demographics, 22.0 percent. The bank’s performance behind area demographics in both 2021 and 2022 can be explained by the cost of housing in the assessment area. The median housing value in the assessment area is \$626,997. A low-income borrower would not be able to qualify for a mortgage of this amount under conventional underwriting standards. In 2021, Martha’s Vineyard Bank originated 11.7 of its home mortgage loans in the assessment area to moderate-income borrowers. This is comparable to the aggregate level of lending, 11.7 percent, and below area demographics, 14.3 percent. In 2022, the bank’s level of lending to moderate-

income borrowers was stable at 11.2 percent. This was below the aggregate level of lending, 13.3 percent, and area demographics, 17.8 percent.

The following table depicts the distribution of home mortgage loans by borrower income level in the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	21.0	3.6	16	3.7	3,430	1.2
2022	22.0	7.1	7	3.0	1,105	0.6
Moderate						
2021	14.3	11.5	51	11.7	13,965	4.7
2022	17.8	13.3	26	11.2	6,340	3.3
Middle						
2021	21.2	16.7	65	14.9	26,525	8.9
2022	20.7	16.5	43	18.5	16,155	8.4
Upper						
2021	43.5	57.1	279	63.8	241,255	81.2
2022	39.5	54.1	143	61.4	158,305	82.2
Not Available						
2021	0.0	11.2	26	5.9	11,870	4.0
2022	0.0	9.1	14	6.0	10,680	5.5
Total						
2021	100.0	100.0	437	100.0	297,045	100.0
2022	100.0	100.0	233	100.0	192,585	100.0
<i>Source: 2020 ACS; Bank Data, 2021 & 2022 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.

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. Examiner conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not note any evidence of disparate treatment.

Minority Application Flow

Examiners reviewed the bank’s 2021 and 2022 HMDA LARs to determine if the application flow from the different racial groups within the bank’s assessment area reflected the assessment area’s demographics.

According to the 2020 U.S Census, the bank’s assessment area contained a total population of 53,117 individuals of which 10.2 percent are minorities. The minority population represented is 2.8 percent Black/African American, 1.4 percent Asian, 2.6 percent Hispanic or Latino, 0.7 percent American Indian, and 2.4 percent other.

Examiners compared the bank application activity with that of the 2021 and 2022 aggregate performance. 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 the bank’s minority application flow as well as the aggregate lenders in the bank’s assessment area.

MINORITY APPLICATION FLOW						
RACE	2021		2021 Aggregate Data	2022		2022 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	1	0.2	0.3	1	0.4	0.3
Asian	4	0.8	1.2	0	0.0	0.9
Black/ African American	16	3.3	2.8	17	6.1	4.4
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0	0.2
2 or more Minority	0	0.0	0.1	0	0.0	0.2
Joint Race (White/Minority)	20	4.2	1.8	7	2.5	1.7
Total Racial Minority	41	8.5	6.2	25	9.0	7.7
White	332	69.2	71.5	201	72.3	71.8
Race Not Available	107	22.3	22.3	52	18.7	20.3
Total	480	100.0	100.0	278	100.0	100.0
ETHNICITY						
Hispanic or Latino	3	0.6	2.1	10	3.6	3.1
Joint (Hisp/Lat /Not Hisp/Lat)	3	0.6	0.8	3	1.1	1.0
Total Ethnic Minority	6	1.3	2.8	13	4.7	4.1
Not Hispanic or Latino	319	66.5	72.4	204	73.4	73.7
Ethnicity Not Available	155	32.3	24.8	61	21.9	22.1
Total	480	100.0	100.0	278	100.0	100.0

Source: HMDA Aggregate Data (2021 and 2022), HMDA LAR Data (2021 and 2022)

In 2022, the bank received 480 home mortgage loan applications from within its assessment area. Of these applications, the bank received 41, or 8.5 percent, from racial minority applicants, of which 39, or 95.1 percent, resulted in originations. The aggregate received 6.2 percent of its applications from minority applicants, of which it originated 62.9 percent. For the same period, the bank also received 6 applications, or 1.3 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 3 or 50.0 percent, compared with an aggregate application rate of 2.8 percent with a 52.9 percent origination rate.

In 2022, the bank received 278 home mortgage loan applications from within its assessment area. Of these applications, the bank received 25, or 9.0 percent, from racial minority applicants, of which 17, or 68.0 percent, resulted in originations. The aggregate received 7.7 percent of its applications from minority applicants, of which it originated 59.8 percent. For the same period, the bank also received 13 applications, or 4.7 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 12 or 92.3 percent, compared with an aggregate application rate of 4.1 percent with a 61.7 percent origination rate.

Considering the demographics of the assessment area, market competition and conditions, and comparisons to aggregate data in 2021 and 2022, and the bank’s origination rates to racial and ethnic minorities, the bank’s minority application flow is adequate.

COMMUNITY DEVELOPMENT TEST

Martha’s Vineyard Bank demonstrates excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in its assessment area.

Community Development Loans

The bank originated 23 community development loans totaling approximately \$23.3 million during the evaluation period. This level of activity represents approximately 1.9 percent of average total assets and 2.3 percent of average total loans since the previous CRA evaluation. The majority of community development loans promoted economic development within the assessment area. The following table illustrates community development loans by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	0	0	4	4,897	0	0	4	4,897
2021	4	3,375	0	0	7	9,840	0	0	11	13,215
2022	3	1,298	0	0	2	1,528	0	0	5	2,826
YTD 2023	1	400	1	2,000	1	25	0	0	2	2,425
Total	8	5,073	1	2,000	14	16,290	0	0	23	23,363

Source: Bank Data

Below are notable examples of the bank’s qualified community development loan activities:

- In 2020, the bank originated a \$750,000 loan for the development of a property that will be utilized to provide safe, secure, and affordable temporary housing for homeless women living in Island communities.

- In 2021, the bank provided a construction loan totaling approximately \$2.1 million loan for the construction of 20 affordable housing units. The units are intended for working low- and moderate-income island families and individuals.
- In 2023, the bank originated a \$2.0 million loan to fund the purchase and renovation of a property that will serve as the permanent location of a local non-profit organization focused on food distribution to low- and moderate-income families in need.
- In response to the COVID-19 pandemic in 2020, the bank originated 421 Paycheck Protection Program (PPP) loans totaling approximately \$30.4 million. These loans were administered by the SBA as part of the Coronavirus Aid, Relief, and Economic Security Act and helped businesses retain staff during the economic crisis caused by the COVID-19 pandemic. Within the bank’s assessment area, MVB originated 373 loans, totaling \$25.9 million, of which 138, totaling approximately \$6.6 million, were made in a low- or moderate-income census tract. The bank originated more PPP loans than any other financial institution in Dukes County, and 10th, most active in Barnstable County. These PPP loans are particularly responsive as they provide funding to businesses in order to retain jobs in low- and moderate-income areas during the pandemic.

Qualified Investments

During the evaluation period, Martha’s Vineyard Bank made 293 qualifying donations totaling approximately \$2.1 million. These donations demonstrate the bank’s responsiveness to the needs of low- and moderate-income geographies within the assessment area. The following table illustrates community development donations by year and purpose.

Qualified Donations										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	2	36	42	458	0	0	0	0	44	494
2021	12	36	96	500	3	42	0	0	111	578
2022	10	83	76	700	2	5	0	0	88	788
YTD 2023	3	1	42	261	5	22	0	0	50	284
Total	27	156	256	1,919	10	69	0	0	293	2,144

Source: Bank Data

Below are notable examples of the bank’s donation activities:

- **Island Housing Trust** – Island Housing Trust is a nonprofit Community Land Trust Community Development Corporation working with investors, local financial institutions, island municipalities, other housing organizations, to create and maintain affordable housing rental and ownership opportunities for the low- and moderate-income families of Martha’s Vineyard. The Martha’s Vineyard Charitable Foundation donated to Island Housing Trust in 2022.

- **WE CAN (Women’s Empowerment through Cape Area Networking)** – WE CAN provides free and confidential legal workshops and consultations regarding topics such as family law, bankruptcy, and landlord-tenant disputes. WE CAN also provides job readiness and career development services, fosters peer mentoring programs, and provides financial education to low- and moderate-income women in the Cape Cod area.
- **Martha’s Vineyard Community Services, Inc. (MVCS)** – Throughout the evaluation period, Martha’s Vineyard Bank and Charitable Foundation made a number of contributions to Martha’s Vineyard Community Services, Inc. MVCS provides wide variety of supportive services including senior services, substance abuse disorder recovery programs, affordable childcare, island employment services for disabled individuals, and confidential services to individuals experiencing domestic violence. MVCS serves all clients regardless of one’s ability to pay.
- **Island Healthcare** – Island Health Care seeks to provide Martha’s Vineyard with equitable, high-quality, and affordable health care, offering sliding fee discounts to low- and moderate-income patients with incomes less than 200% of the federal poverty level. Island Healthcare offers clients a wide variety of health services such as health insurance eligibility and enrollment assistance, travel assistance programs, substance use disorder counseling, dental care, and more. Martha’s Vineyard Bank Charitable Foundation donated several times throughout the assessment period, dedicated to assisting Island Healthcare’s Covid-19 testing initiatives.
- **Martha’s Vineyard Fishermen’s Preservation Trust** – The Martha’s Vineyard Fishermen’s Preservation Trust is an island nonprofit dedicated to preserving the fishing economies and communities that operate in Martha’s Vineyard. The Fisherman’s Preservation Trust holds fishing permits and leases the right to catch certain amounts of fish or shellfish to local, small-business fishermen at affordable rates. The Fisherman’s Preservation also established a Seafood Donation Program, purchasing and donating seafood to local food pantries.

Community Development Services

During the evaluation period, employees of Martha’s Vineyard Bank provided a total of 42 instances of board membership to 15 organizations serving primarily low- and moderate-income families and individuals. In addition to these instances, MVB facilitated 55 individual financial educational seminars and other services. 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
	#	#	#	#	#
2020	2	15	1	0	18
2021	6	20	0	0	26
2022	8	23	0	0	31
YTD 2023	4	18	0	0	22
Total	20	78	1	0	97
<i>Source: Bank Data</i>					

The following are notable examples of the bank’s community development services:

- **Falmouth Housing Trust (FHT)** – Falmouth Housing Trust exists to develop and maintain sustainable, affordable workforce housing for low- and moderate-income individuals and families. A senior member of the bank’s staff serves on FHT’s board of directors.
- **Wings for Falmouth Families, Inc. (WFFF)** – Wings for Falmouth Families is a nonprofit organization dedicated to helping low- and moderate-income families with sick or injured children experiencing financial hardship. A senior member of the bank’s staff serves on WFFF’s board of directors.
- **YMCA of Martha’s Vineyard** – The YMCA of Martha’s Vineyard is a nonprofit organization offering a variety of community services and learning programs to Island residents. Low- and moderate-income youth participating in the YMCA’s summer camp and after school programs receive financial assistance. A vice president of MVB serves on the board of directors.
- **Martha’s Vineyard Boys & Girls Club** – The Martha’s Vineyard Boys and Girls Club provides enrichment programs, wellness resources, out-of-school learning, and a supervised location for island youth to socialize with their peers. The Boys and Girls Club uses contributions and donations to keep membership costs low so financially disadvantaged youth from low- and moderate-income families are not barred from participation. A senior member of MVB’s staff serves on the board of directors.
- **Island Grown Initiative** – Island Grown Initiative is a nonprofit organization dedicated to expanding access to healthy, affordable food on Martha’s Vineyard. Island Grown Initiative works with local farmers, hunters, and restaurants to promote sustainable farming, reduce food waste, and stock the Island Food Pantry, open to any qualifying low- and moderate-income individuals and families. A member of the bank’s senior management serves on the board of directors.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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.