PUBLIC DISCLOSURE

February 2, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Methuen Co-operative Bank
Certificate Number: 26512

243 Broadway
Methuen, Massachusetts 01844

Division of Banks
One Federal Street, Suite 710
Boston, Massachusetts 02110

Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

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

The following points summarize the bank's Community Reinvestment Act (CRA) performance.

- The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.
- The bank made a majority of home mortgage and small business loans, by number, within its assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Background

Methuen Co-operative Bank is a state-chartered institution headquartered in Methuen, Massachusetts. The bank has no affiliates or subsidiaries relevant to CRA. Methuen Co-operative Bank received a "Satisfactory" rating from the Federal Deposit Insurance Corporation (FDIC) and the Massachusetts Division of Banks (Division) during its prior joint evaluation dated December 2, 2019. Examiners evaluated the bank's performance using Interagency Small Institution Examination Procedures.

Operations

Methuen Co-operative Bank operates one full-service office located on Broadway in downtown Methuen, which is located in a moderate-income census tract. The bank has not opened or closed any branches nor engaged in any merger or acquisition activities since the prior evaluation.

The bank's primary focus continues to be residential lending, including fixed- and adjustable-rate mortgages to purchase, improve, or refinance homes. In addition, the bank offers construction loans, home equity loans and lines of credit, and commercial loans including small business loans. The bank increased its commercial portfolio since the previous examination. The bank also offers deposit products including checking accounts, NOW accounts, business checking accounts, passbook accounts, savings accounts, money market investment accounts, term deposit accounts, and retirement accounts. The branch includes an ATM and a drive-up window.

Ability and Capacity

As of December 31, 2025, the bank's assets totaled approximately $138.4 million and included total loans of approximately $103.8 million. Deposits totaled approximately $125.1 million. The primary business focus has not changed since the prior evaluation, and loans secured by 1-4 family residential properties account for 70.4 percent of the bank's total loans. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 12/31/2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	2,650	2.5
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	73,083	70.4
Secured by Multifamily (5 or more) Residential Properties	869	0.8
Secured by Nonfarm Nonresidential Properties	20,640	19.9
Total Real Estate Loans	**97,242**	**93.6**
Commercial and Industrial Loans	5,670	5.5
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	922	0.9
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	14	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**103,848**	**100.0**
Source: Reports of Condition and Income *Due to rounding, total may not equal 100.0%.*		

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

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance is evaluated. Since the prior evaluation, the bank expanded its CRA assessment area from three municipalities to five. Four of these municipalities are located in Essex County, Massachusetts (MA) and one is located in Salem, New Hampshire (NH). The entire assessment area is contiguous and part of the Boston-Cambridge-Newton, MA-NH Multi-State Metropolitan Statistical Area (MSA) that encompasses portions of both MA and NH.

Economic and Demographic Data

Methuen Co-operative Bank designated five municipalities containing 48 census tracts as its assessment area. These include the MA municipalities of Methuen, Andover, North Andover, and Lawrence, as well as Salem, NH. The census tracts reflect the following income designations according to the 2020 United States (U.S.) Census Data.

- 17 low-income tracts,
- 8 moderate-income tracts,
- 11 middle-income tracts, and
- 12 upper-income tracts.

One of the low-income census tracts is located in Methuen, while the remaining 16 low-income census tracts are located in Lawrence. In addition, Methuen contains five moderate-income census tracts, Lawrence contains two, and Salem, NH contains one. There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas in the bank's assessment area.

The following table illustrates the bank's assessment area based on the 2020 U.S. Census and 2025 D&B demographic data.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	48	35.4	16.7	22.9	25.0	0.0
Population by Geography	239,775	33.0	18.3	22.9	25.8	0.0
Housing Units by Geography	83,872	29.7	18.2	25.6	26.5	0.0
Owner-Occupied Units by Geography	48,433	12.0	19.2	31.3	37.5	0.0
Occupied Rental Units by Geography	31,766	56.3	16.2	17.1	10.4	0.0
Vacant Units by Geography	3,673	33.7	22.7	23.3	20.3	0.0
Businesses by Geography	24,670	24.2	13.5	30.3	32.0	0.0
Farms by Geography	385	11.4	13.8	34.3	40.5	0.0
Family Distribution by Income Level	56,926	30.8	18.4	17.9	32.8	0.0
Household Distribution by Income Level	80,199	32.8	16.2	16.6	34.4	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		$121,481	Median Housing Value			$379,753
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH		$107,377	Median Gross Rent			$1,290
			Families Below Poverty Level			8.3%
Source: 2020 U.S. Census, 2025 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

According to the 2020 U.S. Census Data, the assessment area contains 83,872 housing units, of which 57.7 percent are owner-occupied, 37.9 percent are occupied rental units, and 4.4 percent are vacant. The geographic distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. As illustrated in the previous table, the low owner-occupancy rates in low- and moderate-income census tracts and the high percentage of rental units (72.5 percent) in low- and moderate-income census tracts, limits the bank's ability to lend in these geographies.

Data from the U.S. Bureau of Labor Statistics indicates that, as of December 2025, the State of Massachusetts unemployment rate was 4.8 percent, while the unemployment rate in Essex County was 4.7 percent. In 2025, the City of Methuen had an unemployment rate of 4.8 percent, and the City of Lawrence had an unemployment rate of 6.4 percent. Unemployment rates were high in 2020, but declined throughout the evaluation period, reflecting improved economic conditions.

Examiners used the 2023, 2024, and 2025 FFIEC-updated median family income data to analyze home mortgage loans under the Borrower Profile criterion. The following table shows the low-, moderate-, middle- and upper-income categories for each year.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2023 ($146,200)	<$73,100	$73,100 To <$116,960	$116,960 To <$175,440	>=$175,440
2024 ($146,600)	<$73,300	$73,300 To <$117,280	$117,280 To <$175,920	>=$175,920
2025 ($155,300)	<$77,650	$77,650 To <$124,240	$124,240 To <$186,360	>=$186,360
Rockingham County-Strafford County, NH MD Median Family Income (40484)				
2023 ($135,200)	<$67,600	$67,600 To <$108,160	$108,160 To <$162,240	>=$162,240
2024 ($138,600)	<$69,300	$69,300 To <$110,880	$110,880 To <$166,320	>=$166,320
2025 ($144,000)	<$72,000	$72,000 To <$115,200	$115,200 To <$172,800	>=$172,800
Source: FFIEC				

Competition

The assessment area is highly competitive for deposit accounts. According to FDIC Deposit Market Share data as of June 30, 2025, there were 18 financial institutions operating 57 full-service branches in the assessment area. Methuen Co-operative Bank ranked 14th with a 1.4 percent deposit market share. The top five institutions operated 27 of the branches within the assessment area, capturing 69.9 percent of deposit market share. These institutions consisted of larger banks with a regional or national presence including TD Bank N.A., Bank of America N.A., and Santander Bank N.A.

There is a high level of competition for home mortgage loans among several banks, including banks with a regional or national presence, credit unions, and non-depository mortgage lenders. The market share data provides additional insight into the level of competition. In 2023, 277 lenders originated or purchased 3,875 residential mortgage loans in the bank's assessment area. Methuen Co-operative Bank ranked 43rd, originating 23 loans with a 0.6 percent market share. The two lenders with the highest market share were Citizens Bank N.A., with 7.7 percent, and TD Bank N.A., with 3.9 percent. In 2024, 280 lenders originated or purchased 4,378 residential mortgage loans in the bank's assessment area. Methuen Co-operative Bank ranked 95th, only originating six loans. The two lenders with the highest market share were Citizens Bank N.A., with 6.8 percent, and Guaranteed Rate, Inc., with 4.0 percent.

Community Contact

As part of the evaluation process, examiners contact third parties that are active in the assessment area to understand the credit and community development needs of the area. The information obtained helps determine whether local financial institutions are responsive to those needs. The information also shows what credit and community development opportunities are available.

Examiners contacted a local community service organization that serves the bank's assessment area. The organization primarily works to overcome poverty and improve the lives of individuals and families within the community. The organization supports the workforce and adult education through digital literacy, first-time homebuyer courses, and ‘on the spot’ hiring job fairs. The organization offers an early education program targeted toward low-income families, as well as a housing and shelter program that offers a food and clothing bank, emergency support for household bills, financial literacy workshops, and a down payment assistance program for first-time homebuyers.

The contact confirmed affordable housing is a significant need in the area, particularly with increasing market prices and low inventory, making homeownership difficult, primarily for low- and moderate-income individuals. Additionally, the organization suggested a need for financial education for young adults entering the workforce.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing represents a primary credit need for the assessment area. This need could exist in the form of home mortgage products that are more accessible to low- and moderate-income borrowers in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated December 2, 2019, to the current evaluation dated February 2, 2026. The examiners used the Federal Financial Institutions Examination Council (FFIEC) Interagency Small Institution Examination Procedures to evaluate the institution's performance. These procedures include one test, the CRA Small Bank Lending Test.

The Lending Test evaluates the bank’s record of helping to meet the credit needs of its assessment area by considering the following criteria:

- Loan-to-Deposit Ratio
- Assessment Area Concentration
- Geographic Distribution
- Borrower Profile
- Response to CRA related complaints

Activities Reviewed

Examiners determined the major product lines were home mortgage and small business loans, considering the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period.

Examiners reviewed home mortgage loans reported on the bank’s 2023, 2024, and 2025 Home

Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank reported 42 home mortgage loans totaling $14.3 million in 2023, 22 home mortgage loans totaling $7.1 million in 2024, and 19 home mortgage loans totaling $7.0 million in 2025. The 2020 U.S. Census data provided a standard of comparison for home mortgage loans in each respective year. Examiners compared the bank's 2023 through 2025 performance to available demographic data, and aggregate data to 2023 and 2024. The 2025 aggregate data was not available at the time of the evaluation.

Although the bank is not required to collect or report small business data, the bank voluntarily collected this data. Therefore, examiners included the 2025 CRA Loan Register into the evaluation primarily due to growth in this business line since the prior evaluation. The bank originated 28 small business loans totaling $4.4 million in 2025. While D&B demographic data provided a standard of comparison for small business loans in 2025, examiners did not compare small business loans to aggregate data, considering the bank is not required to report this information.

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. The bank's home mortgage loans contributed more weight to developing overall conclusions than small business loans because Methuen Co-operative Bank is primarily a residential lender.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Methuen Co-operative Bank's overall Lending Test performance is rated Satisfactory. The sections below discuss the bank's performance under each criterion.

<u>Loan-to-Deposit Ratio</u>

The LTD ratio is reasonable, given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Quarterly Call Report data, averaged 74.7 percent over the last 25 calendar quarters from December 31, 2019, to December 31, 2025. The ratio ranged from a low of 61.2 percent as of March 31, 2020, to a high of 83.6 percent as of June 30, 2024. This ratio maintained a gradual and consistent increase during the evaluation period, resulting in an increase in LTD ratio since the prior examination. There are no similarly situated institutions with respect to the bank's asset size, geographic location, and lending focus against which to compare the bank's performance.

Assessment Area Concentration

The bank originated a majority of home mortgage and small business loans, by number, within its assessment area. The following table illustrates the bank's 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**		
	#	**%**	**#**	**%**	**#**	**$ (000s)**	**%**	**$ (000s)**	**%**	
Home Mortgage										
2023	23	54.8	19	45.2	42	7,454	52.1	6,845	47.9	14,299
2024	6	27.3	16	72.7	22	2,070	29.2	5,009	70.8	7,079
2025	11	57.9	8	42.1	19	3,127	44.9	3,840	55.1	6,967
Subtotal	**40**	**48.2**	**43**	**51.8**	**83**	**12,651**	**44.6**	**15,694**	**55.4**	**28,345**
Small Business										
2025	19	67.9	9	32.1	28	2,756	62.5	1,651	37.5	4,407
Subtotal	**19**	**67.9**	**9**	**32.1**	**28**	**2,756**	**62.5**	**1,651**	**37.5**	**4,407**
Total	**59**	**53.2**	**52**	**46.8**	**111**	**15,407**	**47.0**	**17,345**	**53.0**	**32,752**
Source: HMDA Reported Data; Bank Data										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, particularly in low- or moderate-income geographies. The bank's performance in both home mortgage and small business lending supports this conclusion. Examiners focused on the number and percentage of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In 2023 and 2024, the bank's performance of lending in low-income census tracts exceeded demographic data and aggregate performance. In 2025, the bank did not originate any loans within low-income census tracts. The bank's performance in moderate-income census tracts in 2023 was below both the aggregate performance and demographic data. The number of loans in moderate-income census tracts decreased slightly in 2024; however, the bank's performance exceeded demographic and aggregate data. In 2025, the bank's performance in moderate-income census tracts increased slightly and remained above the demographic data.

Market Share Data for 2024 indicates that the top 10 lenders within low- and moderate-income census tracts are primarily large national institutions or mortgage companies, who collectively hold 52.6 percent market share. Additionally, 2020 ACS Census data reflects that the percentage of housing units by geography for both low- and moderate-income census tracts in the assessment area is 47.9 percent. Of those units, 72.5 percent are rental units. These factors suggest high competition and limited home mortgage lending opportunities in the assessment area.

The following table details the bank's geographic distribution of home mortgage loans.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	12.0	15.1	5	21.7	905	12.1
2024	12.0	15.0	1	16.7	300	14.5
2025	12.0	--	0	0.0	0	0.0
Moderate						
2023	19.2	18.8	3	13.0	764	10.2
2024	19.2	21.5	2	33.3	445	21.5
2025	19.2	--	3	27.3	654	20.9
Middle						
2023	31.3	31.5	13	56.5	4,445	59.6
2024	31.3	30.6	2	33.3	925	44.7
2025	31.3	--	8	72.7	2,473	79.1
Upper						
2023	37.5	34.6	2	8.7	1,340	18.0
2024	37.5	32.9	1	16.7	400	19.3
2025	37.5	--	0	0.0	0	0.0
Not Available						
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.0	0	0.0	0	0.0
2025	0.0	--	0	0.0	0	0.0
Total						
2023	**100.0**	**100.0**	**23**	**100.0**	**7,454**	**100.0**
2024	**100.0**	**100.0**	**6**	**100.0**	**2,070**	**100.0**
2025	**100.0**	**--**	**11**	**100.0**	**3,127**	**100.0**
Source: 2020 ACS; Bank Data; 2023, 2024 & 2025 HMDA Aggregate Data, "--" data not available.						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2025, the bank's performance in low-income census tracts was below the percentage of businesses in those areas. However, the bank originated more loans in moderate-income census tracts during the review period and exceeded the demographic comparator. Overall, these comparisons reflect reasonable performance.

The following table details the bank's geographic distribution of small business loans.

Geographic Distribution of Small Business Loans						
Tract Income Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2025	24.8	--	2	10.5	71	2.6
Moderate						
2025	13.6	--	5	26.3	288	10.5
Middle						
2025	30.0	--	11	57.9	1,397	50.7
Upper						
2025	31.5	--	1	5.3	1,000	36.3
Total						
2025	**100.0**	--	**19**	**100.0**	**2,756**	**100.0**
Source: 2025 D&B Data; CRA Collected Data; CRA Aggregate Data; "--" data not applicable						

Borrower Profile

The distribution of loans reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank's reasonable home mortgage and small business performance support this conclusion. Examiners focused on the percentage of home mortgage loans to low- and moderate-income borrowers and the percentage of small business loans to businesses with GARs of $1.0 million or less.

Home Mortgage Loans

The distribution of loans reflects reasonable penetration among individuals of different income levels. In 2023 and 2024, the bank's performance of lending low-income borrowers was above the aggregate performance but below the percentage of families. The bank's performance of lending to low-income individuals in 2025 remained below the demographic. The assessment area has a median home value of $379,753 and the median income of a low-income individual did not exceed $77,650 in 2025. This data, coupled with the fact that 8.3 percent of families in the assessment area fall below the poverty line, explains why a large percentage of low-income families would have difficulty qualifying for a conventional mortgage.

The bank's performance of lending to moderate-income borrowers in 2023 was above demographic data and comparable to aggregate data. The number of loans decreased in 2024, resulting in the bank falling below both comparators. However, in 2025, the number of loans to moderate-income individuals increased slightly; therefore, performance exceeded the percentage of families. Moderate-income families in the assessment area may earn up to $115,200 and could be more likely to qualify for a home mortgage loan in the area. This may explain why the bank and aggregate performance are more in line with the demographic of moderate-income families. Overall, these trends and comparisons reflect reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	30.8	9.1	3	13.0	480	6.4
2024	30.8	7.3	1	16.7	145	7.0
2025	30.8	--	2	18.2	260	8.3
Moderate						
2023	18.4	22.7	5	21.7	1,278	17.1
2024	18.4	20.5	1	16.7	275	13.3
2025	18.4	--	4	36.4	1,054	33.7
Middle						
2023	17.9	24.3	7	30.4	2,159	29.0
2024	17.9	25.7	4	66.7	1,650	79.7
2025	17.9	--	1	9.1	500	16.0
Upper						
2023	32.8	28.9	6	26.1	2,828	37.9
2024	32.8	29.2	0	0.0	0	0.0
2025	32.8	--	2	18.2	735	23.5
Not Available						
2023	0.0	15.1	2	8.7	709	9.5
2024	0.0	17.3	0	0.0	0	0.0
2025	0.0	--	2	18.2	578	18.5
Total						
2023	**100.0**	**100.0**	**23**	**100.0**	**7,454**	**100.0**
2024	**100.0**	**100.0**	**6**	**100.0**	**2,070**	**100.0**
2025	**100.0**	**--**	**11**	**100.0**	**3,127**	**100.0**
Source: 2020 ACS; Bank Data; 2023, 2024 & 2025 HMDA Aggregate Data, "--" data not available.						

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of $1.0 million or less. The following table shows that the bank originated the majority of its small business loans, by number, to businesses with GARs of $1.0 million or less in 2025. While the bank's percentage of loans to small businesses with GARs less than $1.0 million is below the percentage of businesses in the assessment area, the bank also faces a high level of competition from local and national small business lenders.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
≤ $1,000,000					
2025	89.5	15	78.9	1,132	41.1
> $1,000,000					
2025	3.5	4	21.1	1,624	58.9
Revenue Not Available					
2025	7	0	0.0	0	0.0
Total					
2025	**100.0**	**19**	**100.0**	**2,756**	**100.0**
Source: 2025 D&B Data; CRA Collected Data; CRA Aggregate Data; "-- " data not applicable					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

DIVISION OF BANKS 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. The fair lending review was conducted in accordance with the FFIEC Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not identify any violations of anti-discrimination laws and regulations.

Minority Application Flow

The bank's 2024 and 2025 HMDA LARs were reviewed to determine if the bank's application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to 2020 ACS U.S. Census data, the bank's assessment area contained a total population of 239,775 individuals of which 50.3 percent are minorities. The assessment area's minority and ethnic population consist of 39.6 percent Hispanic or Latino, 4.2 percent Black/African American, 8.6 percent Asian, 0.2 percent American Indian or Alaskan Native and 4.8 percent other race.

The bank's level of applications was compared with that of the 2024 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. Please refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the assessment area.

Minority Application Flow					
RACE	**2024 Bank**		**2024 Aggregate Data**	**2025 Bank**	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.5	1	7.1
Asian	1	12.5	5.1	2	14.3
Black/ African American	0	0.0	5.8	0	0.0
Hawaiian/Pacific Islander	0	0.0	0.4	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	0	0.0	1.6	0	0.0
Total Racial Minority	**1**	**12.5**	**13.5**	**3**	**21.4**
White	6	87.5	58.1	9	64.3
Race Not Available	1	12.5	28.5	2	14.3
Total	**8**	**100.0**	**100.0**	**14**	**100.0**
ETHNICITY					
Hispanic or Latino	**1**	**12.5**	**25.4**	**3**	**21.4**
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.7	1	7.1
Total Ethnic Minority	**1**	**12.5**	**27.0**	**4**	**28.6**
Not Hispanic or Latino	6	87.5	50.0	7	50.0
Ethnicity Not Available	1	12.5	23.0	3	21.4
Total	**8**	**100.0**	**100.0**	**14**	**100.0**

In 2024, Methuen Co-operative Bank received eight home mortgage loan applications from within its assessment area. Of these applications, one, or 12.5 percent, were received from racial minority applicants. The aggregate received 13.5 percent of its applications from minority consumers. The bank additionally received one application, or 12.5 percent, from ethnic groups of Hispanic origin within its assessment area. Aggregate lenders received an application rate of 27.0 percent.

In 2025, the bank received 14 home mortgage loan applications from within its assessment area. Of these applications, three applications, or 21.4 percent, were received from racial minority applicants. For the same period, the bank also received four applications, or 28.6 percent, from ethnic groups of Hispanic origin.

Considering the demographic composition of the assessment area, comparisons to aggregate data, and market competition, the bank's minority application flow is considered adequate.

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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 institution 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.

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.

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.

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.

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 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.

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.