

PUBLIC DISCLOSURE

March 18, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

North Easton Savings Bank
Certificate Number: 90259

20 Eastman Street
South Easton, Massachusetts 02375

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

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION.....	8
CONCLUSIONS ON PERFORMANCE CRITERIA.....	9
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	18
APPENDICES	19
DIVISION OF BANKS FAIR LENDING POLICIES AND PROCEDURES	19
MINORITY APPLICATION FLOW	19
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA	21
GLOSSARY	22

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 Lending Test is rated Satisfactory.

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

The Community Development Test is rated Satisfactory by the FDIC and High Satisfactory by the Division of Banks.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

DESCRIPTION OF INSTITUTION

Background

North Easton Savings Bank (NESB) is a state-chartered, mutual savings bank headquartered in South Easton, Massachusetts. NESB operates four wholly owned subsidiaries, none of which engages in retail banking.

The FDIC and the Division of Banks previously evaluated the bank on November 2, 2020, using the Federal Financial Institution Examination Council's Interagency Intermediate Small Institution Examination Procedures. The bank received an overall Satisfactory rating.

Operations

The bank's main office is located in South Easton and is not a full-service branch. NESB operates 15 full-service locations in Brockton (2), Carver, Halifax, Hanson, Mansfield, Middleboro, North Easton (2), Norton (2), Plymouth, South Easton, and Whitman (2). Each branch, as well as the main office, has an automated teller machine (ATM), and there is one additional stand-alone, non-deposit-taking ATM located at Wheaton College in Norton. The bank also maintains 14 interactive teller machines (ITMs), including at the main office and at branches in Brockton, Carver, Halifax, Mansfield, North Easton (2), Norton, and Whitman (2). They also maintain stand-alone ITMs in Brockton, East Bridgewater, Hanover, and Raynham. Since the previous evaluation, NESB closed three branches in North Easton, North Attleboro, and Plymouth. All three branches were in middle- or upper-income census tracts. Since the previous evaluation, the bank opened one branch in a middle-income census tract in Plymouth.

NESB offers home mortgage loans, home equity lines of credit (HELOCs), home equity loans, home improvement loans, and personal loans. Business loans include commercial real estate loans, and commercial lines of credit. The bank provides a variety of deposit products that include consumer checking and savings accounts, commercial checking and savings accounts, money market deposit accounts, certificates of deposit, and individual retirement accounts. Additionally, the bank offers online and mobile banking with bill pay.

Ability and Capacity

As of December 31, 2023, the bank reported total assets of approximately \$1.6 billion, of which loans totaled \$1.2 billion. Residential loans represented the majority of the bank's loan portfolio, which is consistent with the previous evaluation. The table below illustrates the bank's loan portfolio distribution.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	69,867	5.9
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	663,924	56.1
Secured by Multifamily (5 or more) Residential Properties	92,517	7.8
Secured by Nonfarm Nonresidential Properties	204,595	17.3
Total Real Estate Loans	1,030,903	87.1
Commercial and Industrial Loans	112,299	9.5
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	40,289	3.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	582	0.0
Total Loans	1,182,909	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. NESB designated three contiguous assessment areas in Massachusetts in the Barnstable Town, MA Metropolitan Statistical Area (MSA), the Providence Warwick, RI-MA MSA, and the Boston, MA Metropolitan Division (MD). The assessment areas comprise 35 contiguous municipalities in Barnstable, Bristol, Norfolk, and Plymouth Counties. The following table lists the 35 municipalities by County and MSA or MD.

Assessment Areas by MSA/MD			
Barnstable Town, MA MSA			
Barnstable County			
Bourne			
Providence Warwick, RI-MA MSA			
Barnstable County			
Attleboro	Easton	Mansfield	North Attleborough
Norton	Raynham	Rehoboth	Taunton
Boston, MA MD			
Norfolk County			
Avon	Foxborough	Holbrook	Plainville
Sharon	Stoughton		
Plymouth County			
Abington	Bridgewater	Brockton	Carver
East Bridgewater	Halifax	Hanover	Hanson
Kingston	Lakeville	Middleborough	Norwell
Pembroke	Plymouth	Plympton	Rockland
Wareham	West Bridgewater	Whitman	

The two MSAs and the MD are all within the Boston-Worcester-Providence, MA-RI-NH-CT Combined Statistical Area (CSA); therefore, examiners combined the assessment areas for presenting conclusions for this evaluation.

Economic and Demographic Data

According to the 2020 U.S. Census, the assessment areas consists of 153 census tracts with the following income designations:

- 9 low-income census tracts;
- 30 moderate-income census tracts;
- 74 middle-income census tracts;
- 38 upper-income census tracts; and
- 2 census tracts with no income designation.

The low-income census tracts are in Brockton (7), Bourne (1), and Taunton (1). The moderate-income census tracts are in Brockton (9), Taunton (4), Middleborough (3), Stoughton (3), Wareham (3), Attleboro (2), Carver (2), Plymouth (2), East Bridgewater (1), and Lakeville (1). The two census tracts without income designations are in Bridgewater; one is the site of a correctional facility and the other is the site of Bridgewater State University.

The assessment areas also includes 10 census tracts designated as “Opportunity Zones” as part of the federal Opportunity Zones Program, which was created by the federal Tax Cuts and Jobs Act of 2017. The program allows for federal tax benefits to investors who realize capital gains and invest them within Opportunity Zones to promote redevelopment in economically depressed areas. The Opportunity Zones within the assessment areas are located in Bourne (1), Brockton (4), North Attleborough (2), Rockland (1), Taunton (1), and Wareham (1).

The following table illustrates select demographic characteristics of the assessment areas.

Demographic Information of the Assessment Areas						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	153	5.9	19.6	48.4	24.8	1.3
Population by Geography	769,158	4.9	17.7	49.2	27.6	0.6
Housing Units by Geography	297,800	4.4	19.3	50.7	25.5	0.0
Owner-Occupied Units by Geography	205,449	1.8	15.1	53.4	29.7	0.0
Occupied Rental Units by Geography	71,296	11.7	29.0	42.1	17.2	0.1
Vacant Units by Geography	21,055	5.7	27.8	54.1	12.3	0.0
Businesses by Geography	77,325	4.1	16.9	47.1	31.9	0.1
Farms by Geography	2,222	1.2	15.5	50.3	32.9	0.0
Family Distribution by Income Level	192,661	20.2	17.1	21.5	41.2	0.0
Household Distribution by Income Level	276,745	23.1	15.2	17.5	44.2	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$99,410	Median Housing Value			\$360,402
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Gross Rent			\$1,243
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555	Families Below Poverty Level			4.9%
<i>Source: 2020 U.S. Census and 2023 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The table above illustrates that the owner-occupancy rate in the low-income census tracts is low at 1.8 percent, which results in limited opportunities for mortgage lending in those tracts. In addition, the percentage of low-income families in the assessment areas includes 4.9 percent of total families that have incomes below the poverty level. Families in this group would have difficulty qualifying for traditional home mortgage loans.

Examiners used the FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the low-, moderate-, middle-, and upper-income ranges by MSA and MD in the assessment areas.

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)				
2022 (\$115,600)	<\$57,800	\$57,800 to <\$92,480	\$92,480 to <\$138,720	≥\$138,720
2023 (\$124,300)	<\$62,150	\$62,150 to <\$99,440	\$99,440 to <\$149,160	≥\$149,160
Boston, MA Median Family Income (14454)				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
2023 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
<i>Source: FFIEC</i>				

As shown in the previous table, the median housing value in the assessment areas of \$360,402 is approximately three times the median family incomes in the assessment areas.

Data from the U.S. Bureau of Labor Statistics shows that unemployment rates fell during the evaluation period. As in most areas of the country, unemployment rates in the assessment areas were elevated during 2020 and 2021 due to the COVID-19 pandemic. As shown in the table below, the unemployment rates for the nation, state, and counties included in the bank’s assessment areas declined throughout the evaluation period as the economy stabilized post-pandemic.

Unemployment Rates (%)				
Area	2020	2021	2022	2023
Barnstable County	10.7	6.3	4.6	4.2
Bristol County	10.7	6.1	4.5	4.1
Norfolk County	8.7	4.8	3.2	3.1
Plymouth County	9.9	5.7	3.9	3.5
Massachusetts	9.3	5.4	3.7	3.4
National Average	8.1	5.3	3.6	3.6
<i>Source: Bureau of Labor Statistics</i>				

The analysis of small business lending under the Borrower Profile criterion compares the distribution of the bank’s small business loans to the distribution of businesses by gross annual revenue (GAR) level. According to 2023 D&B data, there were 77,325 non-farm businesses in the assessment areas with the following distribution by GAR level.

- 89.0 percent have GARs less than or equal to \$1.0 million.
- 3.8 percent have GARs greater than \$1.0 million.
- 7.2 percent have unknown revenues.

Competition

There is a high degree of competition for financial services in the assessment areas. FDIC Deposit Market Share data as of June 30, 2023, shows that 24 financial institutions operated 168 full-service branches within the assessment areas. NESB ranked 7th with a 6.0 percent market share. Institutions that ranked ahead of NESB included three national banks and three local institutions that are larger by total asset size than NESB.

The assessment areas are highly competitive with regard to home mortgage lending. Aggregate Home Mortgage Disclosure Act (HMDA) data for 2022 shows that 450 lenders originated or purchased a total of 26,054 home mortgage loans within the assessment areas. NESB ranked 32nd with a 0.82 percent market share. The lenders ranked ahead of NESB included several mortgage companies and large regional financial institutions. Locally based lenders ranked ahead of NESB included BayCoast Bank, Bluestone Bank, and Envision Bank.

NESB is not required to report its small business lending data and elected not to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the competition level for small business loans at the county level and is included here for performance context. In 2021, aggregate small business lending data showed 169 lenders originated or purchased 59,565 small business loans in Barnstable, Bristol, Norfolk, and Plymouth Counties. The top three lenders, American Express National Bank; Bank of America, N.A.; and JPMorgan Chase, N.A. collectively held 47.3 percent of the market share. This indicates a high level of competition for small business lending in the assessment areas.

Community Contacts

As part of the CRA evaluation process, examiners contact third parties active in the assessment areas to assist in identifying credit and community development needs and whether local financial institutions are responsive to those needs. For this evaluation, examiners referred to a recently conducted community contact with a regional nonprofit economic development corporation. The contact noted that local financial institutions are open to working with them, and there are many small business owners seeking financing, but many do not qualify for credit under traditional underwriting standards. Examiners also referred to information included in recent community needs assessments prepared by community service organizations located in the assessment areas. Consistent themes in these reports were the need for affordable and stable housing, job creation, and affordable childcare and health care services.

Credit and Community Development Needs and Opportunities

Considering information from community organizations, bank management, and various demographic and economic reports, examiners determined that the primary credit and community development needs in the assessment areas are affordable housing and support for small businesses. Community services were also a significant need during the evaluation period, particularly due to the negative impacts of the COVID-19 pandemic on the economy.

SCOPE OF EVALUATION

General Information

This evaluation, conducted jointly by the FDIC and the Division of Banks, assessed NESB's CRA performance from the prior evaluation, dated November 2, 2020, to the current evaluation, dated March 18, 2024. Examiners used Interagency Intermediate Small Institution CRA Examination Procedures, which include the CRA Small Bank Lending Test and the Community Development Test. See Appendices for a complete description of these procedures.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. The bank did not originate any small farm loans during the evaluation period; therefore, examiners did not include small farm loans in the evaluation. The bank's volume of home mortgage loan originations exceeded the volume of small business loan originations during the evaluation period; therefore, examiners placed greater weight on home mortgage lending when drawing overall conclusions.

Examiners analyzed all home mortgage loans reported on the bank's HMDA loan application registers (LARs) for 2020, 2021, 2022, and 2023. The bank reported 596 loans totaling \$212.3 million in 2020, 718 loans totaling \$309.4 million in 2021, 307 loans totaling \$141.9 million in 2022, and 194 loans totaling \$72.0 million in 2023. Examiners compared the bank's 2020 and 2021 performance to the 2015 American Community Survey (ACS) demographic data and compared the bank's 2022 and 2023 performance to the 2020 U.S. Census demographic data. Examiners also compared 2020, 2021, and 2022 performance to the aggregate data for each respective year. The Assessment Area Concentration table presents the bank's home mortgage lending activity for all four years while the tables in the Geographic Distribution and Borrower Profile criteria only contain data for 2022 and 2023, as these are the two most recent years of activity, including the most recent year with aggregate data available.

As an Intermediate Small Institution, the bank is not required to collect or report small business loan data. However, the bank provided a list of 98 small business loans totaling \$22.0 million originated in 2023. Examiners analyzed the bank's 2023 small business lending and presented conclusions about the bank's performance under the Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria. Examiners compared the bank's performance to 2023 D&B demographic data.

For the Lending Test, examiners analyzed and presented the number and dollar amount of home mortgage and small business loans, but placed emphasis on performance by number of loans because it is a better indicator of the number of individuals and businesses served. For the Community Development Test, examiners considered documentation the bank provided regarding the number and dollar amount of qualified community development loans and investments, and the number of community development services the bank provided from the prior evaluation date of November 2, 2020, through the current evaluation date of March 18, 2024.

Examiners obtained economic data for this evaluation from D&B, Moody’s Analytics, and the U.S. Bureau of Labor Statistics. The December 31, 2023, Consolidated Reports of Condition and Income provided financial data.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

NESB demonstrated reasonable performance under the Lending Test. The following sections address the bank’s performance under each Lending Test criteria.

Loan-to-Deposit Ratio (LTD)

The LTD ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s LTD ratio, calculated from Call Report data, averaged 79.8 percent over the past 13 calendar quarters from December 31, 2020, to December 31, 2023. The ratio ranged from a low of 72.1 percent as of March 31, 2021, to a high of 86.8 percent as of December 31, 2023. The ratio showed an increasing trend during the evaluation period. NESB maintained a ratio similar to one comparable institution and below two other comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
North Easton Savings Bank	1,566,165	79.8
Bluestone Bank	1,515,040	78.8
Abington Bank	1,392,124	95.5
Coastal Heritage	987,708	92.9
<i>Source: Reports of Condition and Income 12/31/2020 – 12/31/2023</i>		

Assessment Area Concentration

The bank made the majority of its home mortgage and small business loans, by number and dollar amount, inside the assessment areas. Please see the following table.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total	Dollar Amount of Loans (000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	450	75.5	146	24.5	596	140,310	66.1	71,970	33.9	212,281
2021	470	65.5	248	34.5	718	158,528	51.2	150,865	48.8	309,393
2022	209	68.1	98	31.9	307	78,284	55.2	63,578	44.8	141,862
2023	150	77.3	44	22.7	194	47,995	66.6	24,017	33.4	72,012
Subtotal	1,279	70.5	536	29.5	1,815	425,118	57.8	310,430	42.2	735,548
Small Business										
2023	82	83.7	16	16.3	98	18,008	81.8	3,999	18.2	22,007
Total	1,361	71.1	552	28.9	1,913	443,126	58.5	314,429	41.5	757,555

*Source: Bank Data
Due to rounding, totals may not equal 100.0*

Geographic Distribution

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

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment areas. As shown in the following table, the bank's lending in low-income census tracts in 2022 exceeded both aggregate performance and demographic data. In 2023, the bank's performance in low-income tracts declined slightly and was consistent with demographic data.

The bank's lending in moderate-income tracts exceeded both aggregate performance and demographic data in 2022. Performance declined in 2023, but continued to exceed demographic data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	1.8	2.4	6	2.9	3,665	4.7
2023	1.8	--	3	2.0	801	1.7
Moderate						
2022	15.2	16.4	39	23.0	19,761	25.2
2023	15.2	--	28	18.7	10,896	22.7
Middle						
2022	53.0	52.7	85	40.7	30,127	38.5
2023	53.0	--	78	52.0	23,612	49.2
Upper						
2022	30.0	28.6	70	33.5	24,731	31.6
2023	30.0	--	41	27.3	12,687	26.4
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Total						
2022	100.0	100.0	209	100.0	78,284	100.0
2023	100.0	--	150	100.0	47,995	100.0
<i>Source: 2020 ACS; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment areas. As shown in the following table, the bank's lending to low-income tracts in 2023 was consistent with demographic data, while the bank's lending to moderate-income tracts trailed demographic data. Given the level of competition for small business loans in the assessment area, the bank's performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	4.2	3	3.7	255	1.4
Moderate					
2023	17.0	8	9.8	2414	13.4
Middle					
2023	46.7	35	42.7	7,549	41.9
Upper					
2023	32.1	36	43.9	7,790	43.3
Not Available					
2023	0.1	0	0.0	0	0.0
Total					
2023	100.0	82	100.0	18,008	100.0
<i>Source: 2023 D&B Data; Bank Data 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 in the assessment areas. The bank’s reasonable performance in home mortgage lending and small business lending supports 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, by number.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank’s lending to low-income borrowers showed an increasing trend throughout the examination period and was similar to aggregate performance in 2022. The bank’s lending to low-income borrowers trailed demographic data throughout the examination period. Based on 2023 FFIEC median family income figures, a low-income family in the assessment area, earning less than \$62,150 in the Barnstable Town MSA, less than \$68,450 in the Boston MSA, or less than \$54,150 in the Providence-Warwick MSA, may have difficulty qualifying for a mortgage under conventional underwriting standards, considering the median housing value of \$360,402. Additionally, as stated previously, 4.9 percent of assessment area families have incomes below the federal poverty level. These factors help explain the disparity between the bank’s home mortgage lending to low-income families and the percentage of low-income families residing in the assessment areas.

The bank’s lending to moderate-income borrowers was consistent throughout the examination period, exceeding demographic data in each year, but trailing the aggregate in 2022.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.2	7.8	15	7.2	2,150	2.7
2023	20.2	--	15	10.0	1,866	3.9
Moderate						
2022	17.1	21.9	38	18.2	9,056	11.6
2023	17.1	--	35	23.3	6,117	12.7
Middle						
2022	21.5	25.9	49	23.4	11,297	14.4
2023	21.5	--	35	23.3	7,811	16.3
Upper						
2022	41.2	31.6	70	33.5	25,887	33.1
2023	41.2	--	40	26.7	9,583	20.0
Not Available						
2022	0.0	12.8	37	17.7	29,894	38.2
2023	0.0	--	25	16.7	22,618	47.1
Total						
2022	100.0	100.0	209	100.0	78,284	100.0
2023	100.0	--	150	100.0	47,995	100.0
<i>Source: 2020 ACS; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. As shown in the following table, NESB's lending to small businesses was significantly below the percentage of businesses with GARs of \$1.0 million or less for 2023. While examiners did not compare the bank's performance to aggregate data, aggregate performance provides a better indicator of demand than demographics. During the evaluation period, available aggregate data for 2021 and 2022 indicate that aggregate performance was approximately 42.3 percent and 49.4 percent, respectively. Given the competition for small business loans from larger institutions in the assessment areas, the bank's performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Business Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	89.0	28	34.1	6,500	36.1
>\$1,000,000					
2023	3.8	54	65.9	11,508	63.9
Revenue Not Available					
2023	7.2	0	0.0	0	0.0
Total					
2023	100.0	82	100.0	18,008	100.0
<i>Source: 2023 D&B Data; Bank 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.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas 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 the institution's assessment areas. The bank generally increased its level of responsiveness to community development needs during this evaluation period compared to the previous evaluation period. Examiners considered investments in the broader statewide or regional area that includes the bank's assessment areas, as the bank was responsive to community development needs and opportunities inside the assessment areas.

Community Development Loans

The bank originated 56 community development loans totaling approximately \$56.2 million during the current evaluation period. This activity represents 3.9 percent of the bank's average total assets and 5.5 percent of average total loans since the previous evaluation. This level of activity also represents a significant increase since the previous evaluation period, during which the bank made 6 community development loans totaling \$2.8 million.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
11/3/2020 - 12/31/2020	4	1,913	0	0	0	0	1	4,300	5	6,213
2021	12	18,062	2	940	0	0	0	0	14	19,002
2022	19	12,918	2	2,750	3	1,827	0	0	24	17,495
2023	8	9,376	1	1,000	4	3,078	0	0	13	13,454
YTD 2024	0	0	0	0	0	0	0	0	0	0
Total	43	42,269	5	4,690	7	4,905	1	4,300	56	56,164
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s community development loans.

- In 2021, the bank originated a \$1.1 million loan for a 22-unit rooming house in Stoughton. All units are designated as affordable.
- In 2022, the bank originated two loans totaling \$2.25 million for the construction of a 20-unit housing subdivision in Easton. Two of the 20 units are designated as affordable, thus, a total of \$225,000 is considered community development.
- In 2023, the bank originated a \$1.0 million loan to a non-profit organization in Plymouth to purchase and renovate a structure to operate a homeless shelter and associated services for low- and moderate-income individuals.

Qualified Investments

During the evaluation period, the bank made 261 qualified investments totaling approximately \$8.1 million, which represents a significant increase in activity since the previous evaluation period. The total qualified investments include five equity investments totaling approximately \$7.4 million and 256 donations totaling \$673,284. This total represents 3.3 percent of average total securities and 0.6 percent of average total assets since the previous evaluation. The vast majority of the bank’s investment dollars support affordable housing. The majority of the bank’s donations support community services, including food pantries, financial education, and other services for low- and moderate-income residents of the assessment areas. The bank’s investments in both affordable housing and community service initiatives demonstrate responsiveness to identified needs in the assessment areas. When compared to two similarly situated institutions, NESB’s total dollar amount of qualified investments was significantly higher than one and similar to the second.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	1,483	0	0	0	0	0	0	1	1,483
11/3/20 – 12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	1	1,356	0	0	0	0	0	0	1	1,356
2022	3	4,583	0	0	0	0	0	0	3	4,583
2023	0	0	0	0	0	0	0	0	0	0
YTD 2024	0	0	0	0	0	0	0	0	0	0
Subtotal	5	7,422	0	0	0	0	0	0	5	7,422
Qualified Grants & Donations	17	70	236	597	3	6	0	0	256	673
Total	22	7,492	236	597	3	6	0	0	261	8,095

Source: Bank Data

Equity Investments

The following are descriptions of the bank’s qualified equity investments.

- The bank holds a prior period investment in a 10-year bond that supports a 49-unit affordable housing development in Wareham. All 49 units are designated as affordable housing for low- and moderate-income individuals.
- In December 2021, the bank invested \$1,356,238 in a 30-year bond that supports four mortgages made to low- or moderate-income borrowers in the bank’s assessment area.
- In June 2022, the bank invested \$2,000,000 in a mortgage-backed security with one underlying mortgage on a 300-unit affordable housing development in Brockton.
- In June 2022, the bank invested \$1,583,200 in a mortgage-backed security with five underlying mortgages made to low- and moderate-income borrowers in the assessment area.
- In June 2022, the bank invested \$1,000,000 in a mortgage-backed security with one underlying mortgage on a 269-unit affordable housing development in Quincy.

Donations

The following are notable examples of the bank’s qualified donations.

- **My Brother’s Keeper** – This non-profit organization’s mission is to deliver furniture and food to families in need, free of charge. With locations in Easton and Dartmouth, they serve all of southeastern Massachusetts. Their only source of funding is private charitable donations. The bank donated \$62,500 to the organization during the evaluation period.
- **NeighborWorks Housing Solutions** – This organization is a Massachusetts certified Community Development Corporation (CDC) and a certified state and local Community

Housing Development Organization (CHDO). Their services include rental assistance, emergency financial help, shelter, homelessness prevention, first time homebuyer education and counseling, financial coaching, foreclosure prevention, affordable residential and small business loans, and construction and management of high-quality rental housing across southern Massachusetts. During the evaluation period, NESB donated \$8,600 to this organization.

- **Food Pantries and Related Programs** – During the evaluation period, NESB made 96 qualified donations totaling approximately \$148,763 to local food pantries and related programs that help fight hunger for low- and moderate-income individuals and families. The recipients included food pantries in Easton, East Bridgewater, West Bridgewater, Norton, Halifax, Hanson, Mansfield, Pembroke, Plymouth, Abington, and Whitman.

Community Development Services

During the evaluation period, bank employees provided 57 instances of financial expertise or technical assistance to community development organizations, which is an increase since the previous evaluation period. 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
	#	#	#	#	#
11/3/2020 - 12/31/2020	0	0	0	0	0
2021	1	16	0	0	17
2022	1	18	1	0	20
2023	2	18	0	0	20
YTD 2024*	0	0	0	0	0
Total	4	52	1	0	57

Source: Bank Data
** The bank did not provide any data for services provided YTD 2024.*

- **Habitat for Humanity of Greater Plymouth** – This organization is an affiliate of Habitat for Humanity International and works to provide affordable homeownership opportunities for low-income families in Plymouth and surrounding communities. A bank employee served on the Board of this organization throughout the evaluation period.
- **Credit for Life Fairs in Brockton and Taunton** – These programs promote financial literacy for high school students through interactive exercises focused on teaching responsible money management skills. Several bank employees provided financial expertise for the event at Brockton High School in 2022 and 2023 and at Taunton High School in 2023. A majority of students at both schools are low- or moderate-income.
- **Easton Food Pantry** – This non-profit organization provides food to those in need in the town of Easton. A bank employee served as a Board member during the evaluation period.

Other Services

- **Retail Banking Services in Low- and Moderate-Income Geographies** – The bank maintains three branch offices in moderate-income census tracts, with one each in Brockton, Carver, and Middleboro. The bank also maintains a freestanding ITM in a low-income census tract in Brockton. This demonstrates the bank’s commitment to making retail-banking services available to residents of low- and moderate-income census tracts.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet the community credit needs.

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. 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 2022 and 2023 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment areas reflected the assessment area's demographics.

According to the 2020 U.S Census, the Bank's assessment areas contained a total population of 769,158 individuals of which 25.1 percent are minorities. The minority population represented is 8.9 percent Black/African American, 3.0 percent Asian, 5.3 percent Hispanic or Latino, 0.2 percent American Indian, and 8.9 percent other.

Examiners compared the bank application activity with that of the 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 areas.

MINORITY APPLICATION FLOW					
RACE	2022		2022 Aggregate Data	2023	
	#	%	%	#	%
American Indian/ Alaska Native	1	0.3	0.3	0	0.0
Asian	9	3.0	2.8	3	1.3
Black/ African American	11	3.6	11.6	12	5.3
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0
2 or more Minority	0	0.0	0.2	1	0.4
Joint Race (White/Minority)	7	2.3	1.4	3	1.3
Total Racial Minority	28	9.2	16.5	19	8.4
White	201	66.1	60.0	150	66.7
Race Not Available	75	24.7	23.5	56	24.9
Total	304	100.0	100.0	225	100.0
ETHNICITY					
Hispanic or Latino	6	2.0	4.6	7	3.1
Joint (Hisp/Lat /Not Hisp/Lat)	5	1.6	1.4	0	0.0
Total Ethnic Minority	11	3.6	6.0	7	3.1
Not Hispanic or Latino	217	71.4	70.2	160	71.1
Ethnicity Not Available	76	25.0	23.8	58	25.8
Total	304	100.0	100.0	225	100.0

Source: HMDA Aggregate Data (2022), HMDA LAR Data (2022 and 2023)

In 2022, the bank received 304 home mortgage loan applications from within its assessment areas. Of these applications, the bank received 28, or 9.2 percent, from racial minority applicants, of which 14, or 50.0 percent, resulted in originations. The aggregate received 16.5 percent of its applications from minority applicants, of which it originated 51.8 percent. For the same period, the bank also received 11 applications, or 3.6 percent, from ethnic groups of Hispanic origin within its assessment areas. Of these applications, the bank originated five or 45.5 percent, compared with an aggregate application rate of 6.0 percent with a 53.9 percent origination rate.

In 2023, the bank received 225 home mortgage loan applications from within its assessment areas. Of these applications, the bank received 19, or 8.4 percent, from racial minority applicants, of which seven, or 36.8 percent, resulted in originations. For the same period, the bank also received 7 applications, or 3.1 percent, from ethnic groups of Hispanic origin within its assessment areas. Of these applications, the bank originated four or 57.1 percent.

Considering the demographics of the assessment areas, market competition and conditions, and comparisons to aggregate data in 2022, the bank's minority application flow is adequate.

INTERMEDIATE 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 bank'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).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

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.