

# **PUBLIC DISCLOSURE**

October 14, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Pentucket Bank  
Certificate Number: 90208

1 Merrimack Street  
Haverhill, Massachusetts 01830

Division of Banks  
One Federal Street, Suite 710  
Boston, Massachusetts 02110-2012

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 Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is more than 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 inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of loans reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- Since the previous evaluation, the bank has not received any CRA related complaints; therefore, this criterion did not affect the Lending Test rating.

**The Community Development Test is rated Satisfactory.**

- The institution demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the bank's capacity and the need and availability of community development opportunities within the assessment area.

**Discriminatory of Other Illegal Credit Practices**

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.

## DESCRIPTION OF INSTITUTION

### **Background**

Pentucket Bank (PB) is a mutual savings bank headquartered in Haverhill, Massachusetts (MA) and operates in the northern part of Essex County, MA and the southern part of Rockingham County, New Hampshire (NH). In July 2023, the bank merged mid-tier holding companies with Newburyport Bank to form River Run Bancorp, Inc. (RRB). The banks retain separate charters, with shared services provided by the RRB subsidiary, River Run Services LLC.

The FDIC and Massachusetts Division of Banks (Division) conducted the bank's previous CRA evaluation dated March 24, 2022, using Interagency Intermediate Small Institution (ISI) Examination Procedures. PB received an overall "Satisfactory" rating. The FDIC and Division rated both the Lending Test and Community Development Test "Satisfactory."

### **Operations**

PB operates its main office at One Merrimack Street, Haverhill, Massachusetts, as well as five additional full-service branches in its assessment area. During the evaluation period, the bank did not permanently open or close any locations. The bank opened a temporary service automated teller machine (ATM) location in February 2024, across the street from the main office while it was temporarily closed for construction. Four of the bank's branches are in the northeastern part of MA, and two are in the southern part of NH. Of the six branches, one is located in a low-income census tract in Haverhill, MA; two are located in moderate-income census tracts in Haverhill, MA and Hampstead, NH; two are located in middle-income census tracts in Haverhill, MA and Salem, NH; and one is located in an upper-income census tract in North Andover, MA. All branch locations maintain 24-hour ATMs. Branch hours are similar, approximately 9:00am to 4:00pm Monday through Friday, and 8:00am to 12:00pm on Saturdays, with the North Andover Branch closed on Saturdays.

The bank offers consumer and commercial deposit services including checking, savings, money market deposit accounts, and certificates of deposit, ATM/Debit Cards, and mobile and online banking products. The bank also offers a variety of consumer loan products including residential mortgages, personal loans, personal lines of credit, personal credit cards, and Mass Save® HEAT loans. Additionally, the bank offers a variety of business loan products including commercial mortgages, business lines of credit, term loans and SBA loans. PB also offers municipal and non-profit lending and banking. Furthermore, it offers investment financial services and insurance sales. PB provides alternative retail banking services including internet and mobile banking, instant issue debit cards, drive-through ATMs, domestic and international wire transfers, and participation in the surcharge-free SUM ATM network.

### **Ability and Capacity**

As of June 30, 2025, assets totaled approximately \$1.1 billion and included total loans of \$866.9 million and total securities of \$117.4 million. Deposits totaled \$859.3 million. The primary business focus of PB has not changed since the last examination. The bank's primary lending

category is 1-4 family residential properties, which accounts for 48.3 percent of the bank’s total loans, followed by nonfarm nonresidential properties at 34.3 percent. The following table illustrates the bank’s loan portfolio distribution as of June 30, 2025.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	38,463	4.4
Secured by Farmland	188	0.0
Secured by 1-4 Family Residential Properties	418,674	48.3
Secured by Multifamily (5 or more) Residential Properties	54,048	6.2
Secured by Nonfarm Nonresidential Properties	297,176	34.3
<b>Total Real Estate Loans</b>	<b>808,549</b>	<b>93.3</b>
Commercial and Industrial Loans	55,067	6.4
Agricultural Production and Other Loans to Farmers	20	0.0
Consumer Loans	3,042	0.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	225	0.0
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>866,903</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income Due to rounding, totals may not equal 100%</i>		

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

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA regulation requires financial institutions to define the assessment areas within which examiners will evaluate their CRA performance. PB designated a single assessment area in the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA), which is a multi-state MSA that includes Essex County, MA and Rockingham County, NH. The bank's assessment area and branches are entirely within the Boston-Cambridge-Newton, MA-NH Multistate MSA. The assessment area has not changed since the previous evaluation.

The bank’s assessment area includes the MA cities and towns of Amesbury, Georgetown, Groveland, Haverhill, Lawrence, Merrimac, Methuen, North Andover, and West Newbury. The NH portion of the assessment area includes the cities and towns of Atkinson, Danville, Derry, Hampstead, Kingston, Newton, Plaistow, Salem, Sandown, and Windham.

The following sections discuss demographics and economic information relevant to the assessment area.

**Economic and Demographic Data**

The assessment area consists of 81 census tracts that reflect the following income designations according to the 2020 US Census data:

- 20 are in low-income geographies
- 17 are in moderate-income geographies,
- 35 are in middle-income geographies, and
- 9 are in upper-income geographies.

There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas in the bank’s assessment area. The bank’s low- and moderate-income tracts are located in Lawrence (18), Haverhill (8), Methuen (6), and Amesbury (1), MA and in Derry (2), Salem (1), and Hampstead, NH (1).

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

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>N/A* % of #</b>
Geographies (Census Tracts)	81	24.7	21.0	43.2	11.1	0.0
Population by Geography	410,831	23.1	21.3	43.3	12.3	0.0
Housing Units by Geography	152,448	20.5	21.8	45.8	12.0	0.0
Owner-Occupied Units by Geography	94,510	7.5	19.5	56.7	16.4	0.0
Occupied Rental Units by Geography	51,009	44.1	26.0	26.7	3.2	0.0
Vacant Units by Geography	6,929	24.1	21.4	38.1	16.4	0.0
Businesses by Geography	39,306	18.0	20.4	46.0	15.6	0.0
Farms by Geography	241	2.5	12.5	64.7	20.3	0.0
Family Distribution by Income Level	101,007	28.8	19.4	20.7	31.2	0.0
Household Distribution by Income Level	145,519	30.7	16.8	18.2	34.4	0.0
Median Family Income MD - 15764 Cambridge-Newton-Framingham, MA MD Median Family Income MD - 40484 Rockingham County-Strafford County, NH MD		\$121,481	Median Housing Value			\$ 331,374
		\$107,377	Median Gross Rent			\$1,254
			Families Below Poverty Level			7.2%

Source: 2020 Census and 2024 D&B Data  
 (\*) The NA category consists of geographies that have Not been assigned an income classification.  
 Due to rounding, totals may not equal 100%.

The Geographic Distribution criterion compares the home mortgage loans to the distribution of owner-occupied housing units. As shown in the tables above, 62.0 percent of the 152,448 housing units are owner-occupied, slightly limiting the bank’s opportunities for home mortgage lending in the assessment area. Of the owner-occupied housing units, 27.0 percent of units are in low- and moderate-income census tracts, further limiting the bank’s opportunities in these geographies.

As shown in the table above, almost half (48.2 percent) of the assessment area’s families are low- and moderate-income. Additionally, 7.2 percent of families in the assessment area live below the poverty level. These factors may limit the number of low- and moderate-income families that qualify for a mortgage under conventional underwriting standards.

Examiners use the updated Federal Financial Institution Examination Council (FFIEC) median family income information to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories for the Cambridge-Newton-Framingham, MA Metropolitan Division (MD) and Rockingham County-Strafford County, NH MD.

<b>Estimated Median Family Income Ranges</b>					
<b>Year</b>	<b>MFI</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥ 120%</b>
<b>Cambridge-Newton-Framingham, MA</b>					
2022	\$ 138,700	< \$69,350	\$69,350 to < \$110,960	\$110,960 to < \$166,440	≥ \$166,440
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
<b>Rockingham County-Strafford County, NH</b>					
2022	\$ 122,500	< \$61,250	\$61,250 to < \$98,000	\$98,000 to < \$147,000	≥ \$147,000
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
<i>Source: FFIEC</i>					

According to 2024 Dun & Bradstreet (D&B) data, there are 39,306 non-farm businesses operating within the assessment area. The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues (GAR) levels. GAR levels for these businesses are as follows:

- 89.1 percent earned \$1 million or less.
- 4.2 percent earned more than \$1 million.
- 6.7 percent reported unknown revenue.

In the assessment area, 93.3 percent of businesses operate from a single location and 70.0 percent have four or fewer employees. Non-classifiable establishments represent the largest portion of

businesses at 19.6 percent followed by professional, scientific, and technical industries at 10.5 percent, and construction at 9.8 percent.

According to the U.S. Bureau of Labor Statistics, the 2024 annual average unemployment rate was 4.1 percent in Essex County and 2.8 percent in Rockingham County. The Essex County unemployment rate was consistent with the MA statewide unemployment rate of 4.0 percent. The Rockingham County unemployment rate was comparable to the NH statewide unemployment rate of 2.6 percent.

### **Competition**

PB is in a highly competitive market for financial services. According to June 30, 2025, FDIC Deposit Market Share data, 26 financial institutions operated 91 full-service branches within the assessment area. Of these institutions, PB ranked 7<sup>th</sup> with 7 percent deposit market share. The top three institutions are TD Bank N.A., Santander Bank N.A., and Bank of New England, which control 42.7 percent of the market.

There is a high level of competition for home mortgage loans in the assessment area. According to the 2023 Home Mortgage Disclosure Act (HMDA) aggregate lending data, 391 lenders, consisting of banks, credit unions and non-depository mortgage lenders reported originating or purchasing 12,621 residential mortgage loans in the assessment area. PB ranked 32<sup>nd</sup> with a 0.9 percent market share in terms of the number of loans. The top three lenders in the market share were Citizens Bank, N.A., TD Bank N.A., and Digital Federal Credit Union with 13.8 percent of the total market. In 2024, 377 lenders reported originating or purchasing 14,194 residential mortgage loans in the assessment area. PB ranked 47<sup>th</sup> with a 0.5 percent market share by number.

PB is not required to collect or report its small business loans and elected not to do so. In 2023, the most recent aggregate data available, 139 lenders reported 29,337 small business loans in the assessment area. The data indicates a high degree of competition for small business loans. The top three lenders were American Express National Bank, JPMorgan Chase Bank N.A., and Bank of American N.A. These lenders collectively originated 52.1 percent of all small business loans.

### **Community Contact**

As part of the evaluation process, examiners contact third parties that are active in the assessment area to assist in identifying credit and community development needs. This information assists examiners in determining whether local financial institutions are responsive to the needs of the assessment area. It also identifies available credit and community development opportunities.

Examiners contacted a representative from a local community service organization that serves the bank's assessment area. The organization provides resources and opportunities for individuals, families, and communities to overcome poverty. The contact identified affordable housing and financial literacy courses as primary needs for the area. The community contact explained the limited homeownership opportunities for low- and moderate-income individuals and families, and how many newly constructed apartment buildings do not contain affordable units. The contact also

stated there is opportunity for financial institutions to provide a variety of financial education opportunities other than first-time homebuyer programs.

### **Credit and Community Development Needs and Opportunities**

Examiners considered information from the community contact and bank management, as well as economic and demographic data to determine the assessment area's primary credit and community development needs. Examiners determined that access to affordable housing and financial literacy are the primary community development needs and access to affordable home loans is the primary credit need.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated March 24, 2022, to the current evaluation dated October 14, 2025. Examiners used the Interagency ISI Examination Procedures to evaluate Pentucket Bank's performance. These procedures include two tests: The CRA Small Bank Lending Test and the Community Development Test.

The Lending Test considered the institution's performance according to the following criteria:

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

The Community Development Test considered the following factors:

- Number and dollar amount of community development loans, qualified investments and donations, and community development services
- The responsiveness of such activities to the community development needs of the assessment area.

Banks must achieve at least a "Satisfactory" rating under each test to receive an overall "Satisfactory" rating.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period.

This evaluation considered all home mortgage loans reported on the bank's 2022, 2023, and 2024 HMDA Loan Application Registers (LARs). In 2022, the bank reported 233 originations totaling

\$79.7 million. In 2023, the bank reported 149 originations totaling \$64.9 million, and in 2024, the bank reported 110 originations totaling \$50.1 million. Bank management attributed the decrease in originations to rising interest rates. Examiners compared PB's home mortgage lending performance to 2022, 2023, and 2024 aggregate data and to 2020 U.S. Census demographic data. As an ISI, the bank is not required to collect or report small business data but chose to collect this data. Examiners considered all collected small business data from 2022, 2023, and 2024. The bank originated 74 small business loans for \$22.0 million in 2022, 54 small business loans for \$12.1 million in 2023, and 39 small business loans for \$8.8 million in 2024. Examiners compared PB's small business lending performance to 2020 D&B demographic data.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. Although examiners presented the number and dollar volume of loans, examiners emphasized the bank's performance by number of loans, as it is a better indicator of the number of individuals and businesses served. The bank's overall record of originating home mortgage loans contributed more weight to the overall conclusions due to the larger number and dollar volume when compared to small business lending during the evaluation period.

For the Community Development Test, examiners reviewed community development loans, investments and donations, and services since the prior CRA evaluation dated March 24, 2022, to the current date of October 14, 2025.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The bank demonstrated a reasonable performance under the Lending Test. All the Lending test criteria support this conclusion with additional support provided by the bank's Loan-to-Deposit (LTD) Ratio and Borrower Profile performance.

### **Loan-to -Deposit Ratio**

The LTD ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. PB's LTD ratio averaged 95.5 percent over 14 quarters from March 31, 2022, to June 30, 2025. The ratio ranged from a low of 85.9 percent on March 31, 2022, to a high of 107.3 percent on June 30, 2024. The bank's LTD ratio remained relatively steady throughout the evaluation period. Examiners compared the bank's average LTD ratio to that of similarly situated institutions, which were selected based on asset size, lending focus, and geographic location. The following table illustrates PB's LTD ratio is higher than two similar institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 6/30/2025 (\$000s)	Average Net LTD Ratio (%)
<b>Pentucket Bank</b>	<b>1,084,078</b>	<b>95.5</b>
Cape Ann Savings Bank	997,528	89.3
Haverhill Bank	620,956	86.0

*Source: Reports of Condition and Income 3/31/2022 – 6/30/2025*

### Assessment Area Concentration

The bank made a majority of home mortgage and small business loans by number inside the assessment area. The bank made a majority of home mortgage and small business loans by dollar amount outside of the assessment area. This is primarily attributed to the market value of housing situated outside of the bank’s assessment area. The region has seen an ongoing significant increase in housing value over the past five years.

The following table shows PB’s lending inside and outside of the assessment area by loan category.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	\$(000)	%	\$(000)	%	\$(000)
Home Mortgage										
2022	151	64.8	82	35.2	233	42,969	53.9	36,760	46.1	79,729
2023	74	49.7	75	50.3	149	21,762	33.5	43,174	66.5	64,936
2024	59	53.6	51	46.4	110	20,461	40.8	29,629	59.2	50,090
<b>Subtotal</b>	<b>284</b>	<b>57.7</b>	<b>208</b>	<b>42.3</b>	<b>492</b>	<b>85,192</b>	<b>43.7</b>	<b>109,563</b>	<b>56.3</b>	<b>194,755</b>
Small Business										
2022	48	64.9	26	35.1	74	13,095	59.5	8,898	40.5	21,993
2023	39	72.2	15	27.8	54	5,941	49.1	6,164	50.9	12,105
2024	15	38.5	24	61.5	39	3,554	40.6	5,201	59.4	8,755
<b>Subtotal</b>	<b>102</b>	<b>61.1</b>	<b>65</b>	<b>38.9</b>	<b>167</b>	<b>22,590</b>	<b>52.7</b>	<b>20,263</b>	<b>47.3</b>	<b>42,853</b>
<b>Total</b>	<b>386</b>	<b>58.6</b>	<b>273</b>	<b>41.4</b>	<b>659</b>	<b>107,782</b>	<b>45.4</b>	<b>129,826</b>	<b>54.6</b>	<b>237,608</b>

*Source: Bank Data  
Due to rounding, totals may not equal 100%*

### Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank’s reasonable home mortgage performance supports this conclusion. Examiners focused

on the percentage by number of home mortgages and small business loans in low- and moderate-income census tracts.

### *Home Mortgage*

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In low-income census tracts, the bank performed below the aggregate in 2022 and 2023. In 2024, the bank's performance increased and was above the aggregate performance. When compared to demographic data, the bank's percentage of lending in low-income census tracts was above the percentage of owner-occupied housing units in 2022 and 2024. In moderate-income census tracts the bank's home mortgage lending was slightly below the aggregate performance and the percentage of owner-occupied housing units. During the evaluation period, the percentage of home mortgage loans in moderate-income census tracts remained consistent. As noted above, there is a high level of competition in the assessment and limiting lending opportunities in low-income census tracts due to the limited percentage of owner-occupied housing units. The top lenders in the assessment area are large national banks and credit unions, and the bank only had a 0.9 and 0.5 percent market share in terms of number of loans in 2023 and 2024, respectively.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	7.5	10.6	12	7.9	2,539	5.9
2023	7.5	9.9	5	6.8	2,644	12.2
2024	7.5	9.9	7	11.9	3,668	17.9
<b>Moderate</b>						
2022	19.5	21.3	29	19.2	7,583	17.6
2023	19.5	21.3	13	17.6	2,888	13.3
2024	19.5	21.7	11	18.6	1,990	9.7
<b>Middle</b>						
2022	56.7	52.4	95	62.9	26,189	60.9
2023	56.7	53.4	46	62.2	13,354	61.4
2024	56.7	54.1	37	62.7	12,498	61.1
<b>Upper</b>						
2022	16.4	15.8	15	9.9	6,659	15.5
2023	16.4	15.3	10	13.5	2,876	13.2
2024	16.4	14.3	4	6.8	2,306	11.3
<b>Not Available</b>						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
2024	0.0	0.0	0	0.0	0	0.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>	<b>42,969</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>74</b>	<b>100.0</b>	<b>21,762</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>20,461</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census Data; Bank Data, 2022, 2023 &amp; 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100%</i>						

### ***Small Business***

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows that in 2022 and 2023 the bank's performance in low-income census tracts remained steady at 10.4 percent and 10.3 percent. In 2024, the bank's performance increased significantly by percentage to 26.7 percent. In moderate-income census tracts, the bank originated 14.6 percent of small business loans in 2022, and 17.9 percent in 2023 coming more in line with the percentage of businesses in the area. In 2024, the bank did not originate a small business loan in moderate-income census tracts. As stated above, there is strong

competition for small business loans in the area and the top small business lender by far was American Express, offering commercial credit cards which is not a product offered by PB.

<b>Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>					
2022	18.9	5	10.4	1,446	11.0
2023	18.8	4	10.3	436	7.3
2024	18.0	4	26.7	540	15.2
<b>Moderate</b>					
2022	18.1	7	14.6	3,283	25.1
2023	19.0	7	17.9	646	10.9
2024	20.4	0	0.0	0	0.0
<b>Middle</b>					
2022	47.5	32	66.7	7,488	57.2
2023	46.9	27	69.2	4,659	78.4
2024	46.0	11	73.3	3,014	84.8
<b>Upper</b>					
2022	15.6	4	8.3	878	6.7
2023	15.3	1	2.6	200	3.4
2024	15.6	0	0.0	0	0.0
<b>Not Available</b>					
2022	--	0	0.0	0	0.0
2023	--	0	0.0	0	0.0
2024	--	0	0.0	0	0.0
<b>Total</b>					
<b>2022</b>	<b>100.0</b>	<b>48</b>	<b>100</b>	<b>13,095</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>39</b>	<b>100</b>	<b>5,941</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>15</b>	<b>100</b>	<b>3,554</b>	<b>100.0</b>
<i>Source: 2023 &amp; 2024 D&amp;B Data; Bank Data, "--" data not available. Due to rounding, totals may not equal 100%</i>					

### **Borrower Profile**

The distribution of loans reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The bank's excellent home mortgage performance 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.

### *Home Mortgage*

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels, including low- and moderate-income borrowers. The following table shows the bank's performance in lending to low-income borrowers significantly exceeded aggregate performance in 2022 and 2024. In 2023, the bank's performance was slightly below aggregate performance. The bank's performance was below that of the percentage of low-income families within the assessment area in all three years; however, borrows earning less than \$73,300 in the Cambridge-Newton-Framingham, MA MD and less than \$69,300 in the Rockingham County-Strafford County, NH MSA would likely have difficulty in qualifying for a mortgage under conventional underwriting standards, considering the median housing value of \$333,374 within the assessment area. Additionally, the percentage of low-income families in the assessment area includes 7.2 percent of families living below the poverty level.

In lending to moderate-income borrowers, the bank outperformed the aggregate and demographic in all three years.

According to market share reports, in 2022, PB ranked 23<sup>rd</sup> out of 234 lenders with 1.4 percent market share with low-income borrowers; in 2023, PB ranked 28<sup>th</sup> out of 186 lenders with 0.9 percent market share with low-income borrowers; in 2024, PB ranked 27<sup>th</sup> out of 171 lenders with 1.1 percent market share with low-income borrowers. Institutions above PB in all three years tended to be significantly larger community banks, national banks, and non-depository lenders. In all three years, the bank's market share with low-income borrowers was in line or above the bank's overall market share.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	28.8	11.4	23	15.2	2,646	6.2
2023	28.8	8.9	6	8.1	893	4.1
2024	28.8	7.3	10	16.9	1,409	6.9
<b>Moderate</b>						
2022	19.4	27.3	43	28.5	9,563	22.3
2023	19.4	24.5	18	24.3	2,983	13.7
2024	19.4	22.1	13	22.0	2,382	11.6
<b>Middle</b>						
2022	20.7	24.8	42	27.8	11,326	26.4
2023	20.7	28.1	23	31.1	4,991	22.9
2024	20.7	29.0	18	30.5	5,651	27.6
<b>Upper</b>						
2022	31.2	24.2	36	23.8	16,299	37.9
2023	31.2	25.1	20	27.0	8,941	41.1
2024	31.2	25.7	16	27.1	8,364	40.9
<b>Not Available</b>						
2022	0.0	12.3	7	4.6	3,134	7.3
2023	0.0	13.3	7	9.5	3,955	18.2
2024	0.0	15.9	2	3.4	2,655	13.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>	<b>42,969</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>74</b>	<b>100.0</b>	<b>21,762</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>59</b>	<b>100.0</b>	<b>20,461</b>	<b>100.0</b>
<i>Source: 2020 U.S. Census Data; Bank Data, 2022, 2023 &amp; 2024 HMDA Aggregate Data. Due to rounding, totals may not equal 100%</i>						

### ***Small Business***

The distribution of small business loans reflects reasonable penetration for businesses with GARs of \$1.0 million or less. The following table shows that in 2022, 2023, and 2024, the bank originated most of its small business loans to businesses with GARs of \$1.0 million or less. 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 in the area from local and national small business lenders.

Aggregate data is not used as a comparator in this evaluation for small business as the bank is not a reporter. Overall aggregate data was analyzed to determine the amount of competition in the area as discussed in the Description of Assessment Area. In 2023, the most recent aggregate data available during this evaluation for small business, the top three lenders were American Express National Bank, JPMorgan Chase Bank N.A., and Bank of American N.A. They collectively originated 52.1 percent of all small business loans in the area.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Business Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>					
2022	89.6	29	60.4	6,761	51.6
2023	90.8	20	51.3	1,774	29.9
2024	89.1	10	66.7	1,363	38.3
<b>&gt;\$1,000,000</b>					
2022	3.9	19	39.6	6,334	48.4
2023	3.4	19	48.7	4,167	70.1
2024	4.2	5	33.3	2,192	61.7
<b>Revenue Not Available</b>					
2022	6.6	0	0.0	0	0.0
2023	5.8	0	0.0	0	0.0
2024	6.7	0	0.0	0	0.0
<b>Total</b>					
<b>2022</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>13,095</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>5,941</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>3,554</b>	<b>100.0</b>
<i>Source: 2023 &amp; 2024 D&amp;B Data; Bank Data, Due to rounding, totals may not equal 100%</i>					

### **Response to Complaints**

Since the previous evaluation, the bank has not received any CRA related complaints; therefore, this criterion did not affect the Lending Test rating.

## COMMUNITY DEVELOPMENT TEST

PB demonstrates adequate responsiveness to assessment area community development needs and opportunities through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development in the assessment area.

### Community Development Loans

The bank originated 18 community development loans totaling approximately \$56.6 million during the evaluation period. Of these 18 loans 11 supported affordable housing which is an identified need in the area. Community development loans accounted for 5.6 percent of average total assets during the exam period. Community development loans also accounted for 7.2 percent of average net loans during the exam period. In the previous evaluation, the bank originated 129 community development loans totaling approximately \$33.9 million. This represents a significant increase in loans by total dollar amount. It should be noted that during the prior examination period a significant amount of the community development loans, by number, were made as part of the Paycheck Protection Program administered by the Small Business Administration.

Examiners determined the bank met the community development needs of the assessment area at the current evaluation, and as a result also considered eight additional community development loans for \$21.4 million originated outside the assessment area in this evaluation. When compared to similarly situated institutions, PB’s performance, by dollar amount, exceeded two similarly situated institutions; however, by number of loans, the bank’s performance was lower than both institutions. The following table illustrates the bank’s community development loans by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/24/2022 – 12/31/2022	0	0	0	0	1	11,300	0	0	1	11,300
2023	4	7,722	1	4,300	1	10,220	0	0	6	22,242
2024	3	3,794	0	0	2	8,057	1	6,000	6	17,851
YTD 2025	4	3,830	0	0	1	1,380	0	0	5	5,210
<b>Total</b>	<b>11</b>	<b>15,346</b>	<b>1</b>	<b>4,300</b>	<b>5</b>	<b>30,957</b>	<b>1</b>	<b>6,000</b>	<b>18</b>	<b>56,603</b>

*Source: Bank Data*

Below are notable examples of the bank’s community development loans:

- In 2023, the bank originated a construction loan in which a \$2.2 million share qualified for affordable housing in an opportunity zone in Lawrence, MA. The loan proceeds were used for the construction of a multi-use building containing six affordable housing units rented below Housing and Urban Development (HUD) fair market rate.
- In 2024, the bank originated a \$6 million loan for a redevelopment project in a low-income

census tract within an opportunity zone in Haverhill, MA. The project will support revitalization and stabilization by attracting new businesses and residents.

- In 2025, the bank originated a \$825,000 loan for the purchase of a multi-family property in a low-income census tract in Haverhill, MA. The building contains six affordable housing units rented below HUD fair market rate.

**Qualified Investments**

PB made 79 community development investments and donations for a total of approximately \$2.5 million. The dollar amount of qualified investments and donations equates to 0.3 percent of net average assets and 2.1 percent of average total investments during the evaluation period. The total amount of investments made during the evaluation period increased by dollar amount since the last evaluation, at which time the bank had 198 by number and \$1.7 million by dollar amount.

When compared to two similarly situated institutions, the bank’s performance by dollar amount exceeded both institutions. The following table describes the community development investments and donations during the evaluation period.

Qualified Investments										
	Affordable Housing		Community Service		Economic Development		Revitalize or Stabilize		Total #	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Prior Period	5	2,244	0	0	0	0	0	0	5	2,244
3/24/2022 – 12/31/2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	1	50	0	0	1	50
2024	0	0	0	0	0	0	0	0	0	0
YTD 2025	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>5</b>	<b>2,244</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2,294</b>
Qualified Grants & Donations	5	53	67	168	1	1	0	0	73	222
<b>Total</b>	<b>10</b>	<b>2,297</b>	<b>67</b>	<b>168</b>	<b>2</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>79</b>	<b>2,516</b>

*Source: Bank Data*

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

*Current Period Investments*

- **Regional Economic Development Center of Southern New Hampshire** – The Regional Economic Development Center (REDC) is a non-profit organization in Raymond, NH, that provides lending, advising services, and training to help new and existing businesses in Southern New Hampshire. Its services include micro-loans, technical assistance, and support for entrepreneurship, with a specific emphasis on helping minorities and women. The center also works on broader community initiatives like developing resilience plans and

comprehensive economic development strategies. The bank invested \$50,000 in 2023.

#### *Prior Period Investments*

- **New Hampshire Community Loan Fund (NHCLF)** – The bank continued their investment in the NHCLF. The NHCLF provides financing and support for low- and moderate-incomes individuals to access affordable housing, childcare, early childhood education, quality jobs and tools to become financially independent.
- **CRA Qualified Investments RBC Access Capital Community** – The bank carried two investments from 2003 and 2004 totaling \$1,500,000 to RBC Access Capital Community which target programs to families at 80 percent of area median income or below for conforming mortgages, multi-family housing with 51 percent or more affordable units for residents with less than 80 percent of area median income, and small businesses loans in low- to moderate-income census tracts.

#### *Donations*

- **Isaiah 58 New Hampshire** – Isaiah 58 New Hampshire is a 501(c)(3) nonprofit organization focused on addressing homelessness and housing insecurity in Western Rockingham County. The organization works to provide affordable housing units, in addition to comprehensive supportive services for those in need. These services include case management, financial and life skills training, and assistance with utilities, food, and clothing.
- **Project Home Again** – Project Home Again is a furniture bank nonprofit that provides free new and gently used household goods, furniture, and appliances to families in need in the Merrimack Valley region of Massachusetts. They work with social service agencies to furnish homes for clients, including domestic abuse survivors, veterans, refugees, and those transitioning out of homelessness. The organization’s mission is to help people create comfortable and dignified living spaces.

#### **Community Development Services**

During the evaluation period, the bank’s employees and members of the senior management team provided 1,981 hours of financial expertise or technical assistance to 34 community development organizations located in the assessment area. These organizations focus on community development services for low- and moderate-income individuals or low- and moderate-income areas. As shown in the following table, the number of services provided has steadily increased year-over-year. The following table summarizes the bank’s community development services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Economic Development	Community Service	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/24/2022 – 12/31/2022	20	396	25	53	<b>494</b>
2023	20	434	45	53	<b>552</b>
2024	15	505	41	57	<b>618</b>
YTD 2025	3	272	26	15	<b>316</b>
<b>Total</b>	<b>58</b>	<b>1,607</b>	<b>137</b>	<b>178</b>	<b>1,980</b>
<i>Source: Bank Data</i>					

The following are examples of community development services provided.

- **Utec** – This nonprofit organization operates in the Lowell, Lawrence, and Haverhill areas with a mission to ignite and nurture the ambition of the area’s most impoverished youth. Utec provides outreach, transitional coaching, workforce development in social enterprises, gun violence prevention, education, and more. A bank executive officer served as a Board member in 2022, 2023, 2024 and 2025.
- **Lawrence Community Works** - Lawrence Community Works (LCW) is a 501(c)(3) community development corporation that conducts community planning, organizing, and asset-building efforts with high-quality affordable housing and commercial development to create vibrant neighborhoods and empowered residents. A bank executive officer served on the Board of Directors in 2022, 2023, and 2024.

In addition to the qualified community services provided, the bank operates a branch in a low-income area within Haverhill, MA an additional branch in a moderate-income area within Haverhill, MA and a branch in a moderate-income area in Hampstead, NH. The bank offers online and mobile banking which provides access to accounts, fund transfer capability, bill pay, mobile check deposit and mobile wallet. Furthermore, the bank offers a no monthly fee checking and savings account with online and mobile banking access.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## 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. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

### MINORITY APPLICATION FLOW

Division of Banks Examiners reviewed the bank’s 2023 and 2024 HMDA LARs to determine if the application flow from different racial groups within the bank’s assessment area reflects the assessment area demographics.

According to the 2020 U.S. Census data, the bank’s assessment area contained a total population of 410,831 individuals. The assessment area’s minority and ethnic population is 3.0 percent Black/African American, 3.4 percent Asian, 0.2 percent American Indian, 27.7 percent Hispanic or Latino, and 4.7 percent from other minority groups. The following table exhibits the bank’s minority application flow compared to aggregate lenders in the assessment area.

<b>MINORITY APPLICATION FLOW</b>						
<b>RACE</b>	<b>Bank 2023</b>		<b>2023 Aggregate Data</b>	<b>Bank 2024</b>		<b>2024 Aggregate Data</b>
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>%</b>
American Indian/ Alaska Native	0	0.0	0.4	1	1.3	0.4
Asian	0	0.0	2.7	2	2.6	2.6
Black/ African American	2	1.9	3.9	1	1.3	4.3
Hawaiian/Pacific Islander	0	0.0	0.3	0	0.0	0.3
2 or more Minority	0	0.3	0.1	0	0.0	0.1
Joint Race (White/Minority)	0	0.0	1.4	0	0.0	1.5
<b>Total Racial Minority</b>	<b>2</b>	<b>1.8</b>	<b>8.8</b>	<b>4</b>	<b>5.2</b>	<b>9.2</b>
White	87	80.6	65.5	69	89.6	64.9
Race Not Available	19	17.6	25.7	4	5.2	25.9
<b>Total</b>	<b>108</b>	<b>100.0</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	10	9.3	16.8	2	2.6	17.8
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.6	0	0.0	1.7
<b>Total Ethnic Minority</b>	<b>10</b>	<b>9.3</b>	<b>18.4</b>	<b>2</b>	<b>2.6</b>	<b>19.5</b>
Not Hispanic or Latino	83	76.8	59.4	67	87.0	58.1
Ethnicity Not Available	15	13.9	22.2	8	10.4	22.4
<b>Total</b>	<b>108</b>	<b>100.0</b>	<b>100.0</b>	<b>77</b>	<b>100.0</b>	<b>100.0</b>

*Source: 2020 U.S. Census, HMDA Aggregate Data 2023 and 2024, HMDA LAR Data 2023 and 2024*

Pentucket Bank received 108 HMDA reportable loan applications in 2023. Of these, the bank received 2, or 1.8 percent, from racial minority applicants within the bank's assessment area, compared to the aggregate performance of 8.8 percent. Additionally, the bank received 10, or 9.3 percent of applications from applicants of Hispanic or Latino origin within its assessment area, compared to the aggregate performance of 18.4 percent.

In 2024, the bank received 77 HMDA reportable loan applications from within its assessment area. Of these, the bank received 4, or 5.2 percent, from racial minority groups, compared to the aggregate performance of 9.2 percent. The bank also received 2, or 2.6 percent, from applicants of Hispanic or Latino origin, compared to the aggregate performance of 19.5 percent.

Considering aggregate performance and the demographic composition of the assessment area, the bank's minority application flow is considered less than 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 acting, 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 community development lending, investment, and service needs.

## 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.

**U.S. Census:** 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 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 aids 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.