

PUBLIC DISCLOSURE

August 21, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rockland Trust Company
Certificate Number: 9712

288 Union Street
Rockland, Massachusetts 02370

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.

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Outstanding**. An institution in this group has an outstanding 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.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Satisfactory**			
Needs to Improve			
Substantial Noncompliance			
<p><i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i></p> <p><i>**FDIC rules and regulations stipulate use of a “high satisfactory” and “low satisfactory” rating for the three tests. This jointly issued public evaluation uses the term “satisfactory” in lieu of “low satisfactory” for the Lending, Investment, and Service Test ratings, as the Division does not have a “low satisfactory” rating.</i></p>			

The Lending Test is rated Outstanding.

- Lending levels reflect excellent responsiveness to the assessment area credit needs.
- A substantial majority of home mortgage and small business loans are made in the assessment areas.
- The geographic distribution of home mortgage and small business loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in making community development loans.

The Investment Test is rated Outstanding.

- The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits excellent responsiveness to credit and community development needs.
- The bank makes significant use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the bank's assessment areas.
- To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services (including where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

Background

Rockland Trust Company (RTC) is a state-chartered financial institution headquartered in Rockland, Massachusetts (MA). RTC is a wholly owned subsidiary of Independent Bank Corporation. The bank has 11 subsidiaries. Two of the bank's subsidiaries, including Rockland MHEF Fund LLC and RTC LIHTC Investments LLC, invest in Massachusetts-based low-income housing tax credit (LIHTC) projects.

The Federal Deposit Insurance Corporation (FDIC) and the Division of Banks (Division) last evaluated the bank on March 16, 2020 using the Federal Financial Institution Examination Council's (FFIEC) Interagency Large Institution Examination Procedures. The bank received an overall Outstanding rating, with a High Satisfactory rating for the Lending Test, an Outstanding rating for the Investment Test, and an Outstanding rating for the Service Test.

Operations

Including its main office, the bank operates 120 full-service branches, 2 limited-service branches, 1 mobile branch, 7 residential loan production offices (LPOs), and 21 commercial LPOs primarily serving eastern Massachusetts. Each full-service branch has an automated teller machine (ATM) and 19 branches have Interactive Teller Machines (ITMs). In addition, the bank maintains 20 stand-alone full-service ATMS.

In November 2021, RTC merged with East Boston Savings Bank (EBSB). EBSB was a \$6.4 billion commercial bank operating in eastern Massachusetts, primarily within Essex, Suffolk, and Middlesex Counties. The FDIC and Division evaluated EBSB's Community Reinvestment Act (CRA) performance as of December 7, 2020, using Large Institution Examination Procedures. EBSB received an overall Satisfactory rating.

As part of the merger, RTC acquired 42 EBSB full-service branches and one EBSB mobile branch. Immediately following the merger, RTC closed 16 EBSB and 2 RTC full-service branches. During the evaluation period, and unrelated to the merger, the bank opened four full-service branches in Shrewsbury, Westborough, and Worcester (2) and closed six full-service branches in the Seaport area of downtown Boston, Brookline, Chatham, Jamaica Plain, Medford, and Wellesley.

RTC is primarily a commercial bank, but offers a variety of commercial, home mortgage, and consumer lending products. Additionally, the bank offers government loan programs such as Federal Housing Administration (FHA) loans, MassHousing loans, Veterans Administration (VA) loans, and Small Business Administration (SBA) loans. In addition to standard personal and business deposit products, including consumer and business checking accounts, savings accounts, money market savings, and certificates of deposit, the bank provides alternative banking services including internet and mobile banking, ATMs, ITMs, and 24/7 telephone banking services. The bank also offers investment advisory and trust services for consumers, businesses, municipalities, and non-profit organizations.

Ability and Capacity

As of June 30, 2023, the bank had total assets of approximately \$19.4 billion and deposits of approximately \$15.4 billion. The bank's loans totaled approximately \$14.1 billion, representing 72.9 percent of total assets. Total assets increased approximately 61.9 percent since the previous evaluation. Growth is primarily attributed to the acquisition of EBSB.

Commercial loans, which include non-farm non-residential and commercial and industrial loans, account for the largest portion of the bank's portfolio at 49.3 percent. The second largest portion of the bank's portfolio is residential loans, consisting of one-to-four family loans and multifamily loans, at 38.6 percent. The following table illustrates the bank's loan portfolio distribution.

Loan Portfolio Distribution as of 06/30/2023		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	1,182,994	8.4
Secured by Farmland	3,133	0.0
Secured by 1-4 Family Residential Properties	4,002,967	28.3
Secured by Multifamily (5 or more) Residential Properties	1,454,727	10.3
Secured by Nonfarm Nonresidential Properties	5,359,411	37.9
Total Real Estate Loans	12,003,232	84.9
Commercial and Industrial Loans	1,610,655	11.4
Agricultural Production and Other Loans to Farmers	9,289	0.1
Consumer Loans	25,511	0.2
Obligations of State and Political Subdivisions in the U.S.	454,920	3.2
Other Loans	38,030	0.3
Lease Financing Receivables (net of unearned income)	4,851	0.0
Less: Unearned Income	0	0.0
Total Loans	14,146,488	100.0
<i>Source: Reports of Condition and Income Due to rounding, totals may not equal 100.0.</i>		

Examiners did not identify any financial or legal impediments that would limit the bank's ability to help meet the credit or community development needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. RTC designated five contiguous assessment areas¹ all located within Massachusetts. Specifically, the bank delineated 10 full counties in the following Metropolitan Statistical Areas (MSAs), Metropolitan Divisions (MDs), and Non-MSAs as its assessment areas.

- Barnstable Town, MA MSA (Barnstable County)
- Boston-Cambridge-Newton, MA-NH MSA, which consists of:
 - Cambridge-Newton-Framingham, MA MD (Essex and Middlesex Counties)
 - Boston, MA MD (Norfolk, Plymouth, and Suffolk Counties)
- Providence-Warwick, RI-MA MSA (Bristol County)
- Worcester, MA-CT MSA (Worcester County)
- Massachusetts Non-MSA (Dukes and Nantucket Counties)

RTC has not changed these assessment area delineations since the prior evaluation. Please refer to the full-scope assessment area evaluations for details on assessment area's demographics.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated March 16, 2020, to the current evaluation, dated August 21, 2023. Examiners used the FFIEC Interagency Large Institution Examination Procedures to evaluate RTC's CRA performance. These procedures include the Lending Test, Investment Test, and the Service Test (see Appendices for a complete description).

The bank is headquartered in and conducts a significant majority of lending and deposit activities throughout the MSA assessment areas, and the Non-MSA assessment area received a limited scope review at the previous evaluation; therefore, examiners conducted a full-scope review for each assessment area at the current evaluation. The Barnstable Town, MA MSA assessment area; Boston-Cambridge-Newton, MA-NH MSA assessment area; Providence-Warwick, RI-MA MSA assessment area; and Worcester, MA MSA assessment area, are located within the Boston-Worcester-Providence CSA. Examiners analyzed the bank's performance in each MSA assessment area separately and found that performance was consistent in each MSA. Therefore, examiners presented the bank's performance within these MSAs on a consolidated basis under the Boston-Worcester-Providence CSA.

Given the percentage of loans, deposits, and branches in each assessment area, examiners placed the greatest weight on the bank's performance in the Boston-Worcester-Providence CSA, and placed less weight on performance in the Non-MSA. The following table illustrates the distribution of

¹ This document refers to the five assessment areas collectively as the combined assessment area.

loans (home mortgage and small business loans), deposits, and branches across each assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches²	
	\$ (000s)	%	\$ (000s)	%	#	%
Boston-Worcester-Providence CSA	6,591,302	95.2	16,008,551	95.5	115	94.3
Non-MSA	331,891	4.8	760,396	4.5	7	5.7
Total	6,923,193	100.0	16,768,947	100.0	122	100.0

Source: Bank Data; FDIC Summary of Deposits (06/30/2022)

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 originations during the evaluation period. The bank originated a minimal number of small farm loans during the evaluation period that would not yield a meaningful analysis. Therefore, although presented in the Assessment Area Concentration table; examiners did not analyze this loan type further, as it provided no material support for conclusions or ratings.

Examiners analyzed all home mortgage loans reported on the bank’s 2020, 2021, and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) to evaluate the bank’s performance. The bank reported 5,355 home mortgage loans totaling \$1.9 billion in 2020, 5,602 loans totaling \$2.2 billion in 2021, and 4,506 loans totaling \$1.7 billion in 2022. Aggregate data and 2015 American Community Survey (ACS) data provided a standard of comparison for home mortgage loans in 2020 and 2021. Examiners compared the bank’s performance in 2022 to aggregate data and 2020 United States (U.S.) Census data.

Examiners also analyzed all small business loans reported on the bank’s 2020, 2021, and 2022 CRA Loan Registers. The bank reported 7,318 small business loans totaling \$749.8 million in 2020, 5,071 loans totaling \$579.1 million in 2021, and 1,654 loans totaling \$332.3 million in 2022. Aggregate data and D&B demographic data provided a standard of comparison for small business loans in 2020 and 2021. Examiners compared the bank’s performance in 2022 to D&B demographic data only, as aggregate data for 2022 was not available as of the evaluation date.

For the Lending Test, examiners analyzed home mortgage and small business loans originated during 2020, 2021, and 2022. Although the Assessment Area Concentration table presents lending activity for all three years, examiners did not include 2020 data under the Geographic Distribution or Borrower Profile criteria, as examiners did not identify any trends between 2020 and 2021 that materially affect conclusions. Examiners reviewed the number and dollar volume of home mortgage and small business loans. In conducting the lending analysis, examiners weighed the

² Full-service and limited-service branches are included in the total branches reflected in the table. RTC’s mobile branch is not included in the total branches reflected in the table.

number of originations more heavily than the dollar volume, as the number of loans more reliably indicates the number of individuals and businesses served. The weighting assigned to each product line is discussed under the individual assessment area sections, as the weighting differed for each assessment area.

Examiners also reviewed retail products and services that benefit low- and moderate-income individuals or small businesses; delivery systems for providing retail-banking services, including branches and alternative delivery systems; and the impact of any branch openings and closings during the evaluation period. The evaluation considered community development loans, qualified investments, and community development services, as well as innovative and/or flexible lending practices from the prior evaluation date to the current evaluation date.

Examiners obtained demographic and economic information referenced in this evaluation from the 2015 ACS, 2020 U.S. Census data, D&B, Moody's Analytics, and the U.S. Bureau of Labor Statistics. Financial Data is based on the June 30, 2023 Report of Income and Condition (Call Report).

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated Outstanding. Conclusions regarding the bank's overall performance are consistent with the conclusions for the Boston-Worcester-Providence CSA assessment areas. Performance in the Non-MSA assessment area was below the overall performance. The bank's performance in the Boston-Worcester-Providence CSA contributed the most weight to conclusions under each performance criteria in the Lending Test.

This section presents the bank's overall performance in the combined assessment area. Separate presentations for the individual assessment areas are included in later sections.

Lending Activity

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. In 2020, 2021, and 2022, RTC originated or purchased 15,463 home mortgage loans totaling approximately \$5.8 billion and 14,043 small business loans totaling approximately \$1.7 billion. Of this total, 14,886 home mortgage loans totaling approximately \$5.4 billion and 13,386 small business loans totaling approximately \$1.5 billion, were inside the assessment areas.

The Description of Assessment Area section under each individual assessment area discusses the bank's market share rankings for home mortgage and small business lending. Overall, RTC was among the top five percent of all home mortgage lenders in the combined assessment area in 2021 and 2022. RTC was the top ranked state-chartered institution in 2021 and the second highest state-chartered institution in 2022 for home mortgage lending. Eastern Bank, which had assets totaling approximately \$21.5 billion as of June 30, 2023, was the highest ranked state-chartered institution. For small business lending, RTC was among the top five percent of small business lenders in the

combined assessment area and was the second highest ranked state-chartered institution in 2020 and 2021. Eastern Bank was the highest ranked state-chartered institution.

Assessment Area Concentration

RTC made a substantial majority of loans inside the combined assessment area. The following table illustrates the loan distribution inside and outside the combined assessment area.

Lending Inside and Outside of the Assessment Area										
Assessment Area: Combined										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	5,213	97.3	142	2.7	5,355	1,773,495	95.5	83,018	4.5	1,856,513
2021	5,365	95.8	237	4.2	5,602	2,082,046	93.7	139,474	6.3	2,221,519
2022	4,308	95.6	198	4.4	4,506	1,543,878	88.6	199,000	11.4	1,742,878
Subtotal	14,886	96.3	577	3.7	15,463	5,399,419	92.8	421,491	7.2	5,820,910
Small Business										
2020	7,019	95.9	299	4.1	7,318	695,211	92.7	54,629	7.3	749,840
2021	4,854	95.7	217	4.3	5,071	529,252	91.4	49,874	8.6	579,126
2022	1,513	91.5	141	8.5	1,654	290,833	87.5	41,428	12.5	332,261
Subtotal	13,386	95.3	657	4.7	14,043	1,515,296	91.2	145,931	8.8	1,661,227
Small Farm										
2020	46	78.0	13	22.0	59	4,134	72.5	1,572	27.6	5,706
2021	69	94.5	4	5.5	73	4,144	98.2	77	1.8	4,221
2022	5	100.0	0	0.0	5	200	100.0	0	0.0	200
Subtotal	120	87.6	17	12.4	137	8,478	83.7	1,649	16.3	10,127
Total	28,392	95.8	1,251	4.2	29,643	6,923,193	92.4	569,071	7.6	7,492,264
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects good penetration. Performance was inconsistent across the assessment areas. Good performance in the more heavily weighted Boston-Worcester-Providence CSA assessment areas primarily supports this conclusion. Performance in the Non-MSA assessment area was adequate. The assessment area sections include detailed analyses and comparisons to demographic and aggregate data.

Borrower Profile

The distribution of borrowers reflects good penetration among retail customers of different income levels and business customers of different sizes. Performance was inconsistent across the

assessment areas. Good performance in the more heavily weighted Boston-Worcester-Providence CSA primarily supports this conclusion. Performance in the Non-MSA was adequate. The assessment area sections include detailed analyses and comparisons to demographic and aggregate data.

Innovative or Flexible Lending Practices

RTC uses flexible lending practices in order to serve assessment area credit needs. During the evaluation period, the bank originated 11,592 flexible loans totaling approximately \$1.7 billion that supported low- and moderate-income individuals and small businesses. Of these flexible loans, the bank extended approximately \$237.0 million through residential lending programs and approximately \$1.4 billion through small business lending programs.

The bank's flexible lending practices increased significantly since the prior evaluation period, during which time the bank originated 1,156 loans totaling approximately \$338.4 million. The increase in lending activity was primarily due the bank's participation in the SBA's Paycheck Protection Program (PPP), which was responsive to business needs during the COVID-19 pandemic. Excluding PPP loans, which were not available during the prior evaluation period, the bank originated 738 flexible loans totaling approximately \$306.7 million.

By number, RTC's flexible lending activity exceeds that of two similarly situated institutions and falls below one similarly situated institution. By dollar volume, RTC's lending is comparable to that of two similarly situated institutions and exceeds a third institution. The bank offers its flexible lending programs throughout all of the assessment areas. The following table summarizes the bank's flexible lending programs.

Innovative or Flexible Lending Programs										
Type of Program	2020		2021		2022		2023		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fannie Mae (FNMA) Home Ready	25	7,118	25	7,388	4	1,168	3	1,045	57	16,719
Freddie Mac (FHLMC) Home Possible	10	2,895	15	4,711	2	547	1	359	28	8,512
Federal Housing Administration (FHA)	67	29,623	108	51,435	49	22,239	9	4,023	233	107,320
Massachusetts Housing Finance Agency (MHFA)	13	3,849	24	5,892	8	1,852	8	1,016	53	12,609
Mass Housing Partnership (MHP) One Mortgage Program	50	19,551	55	23,144	79	26,909	32	11,095	216	80,699
Veteran's Administration (VA)	6	2,477	17	6,544	4	1,931	1	179	28	11,131
Sub-Total Residential Loans	171	65,513	244	99,114	146	54,646	54	17,717	615	236,990
PPP Loans	6,717	939,136	4,137	432,683	0	0	0	0	10,854	1,371,819
SBA 7(a)	5	6,384	36	17,788	17	4,569	18	4,441	76	33,182
SBA 504	3	1,423	19	13,633	21	19,550	4	1,888	47	36,494
Sub-Total Commercial Loans	6,725	946,943	4,192	464,104	38	24,119	22	6,329	10,977	1,441,495
Totals	6,896	1,012,456	4,436	563,218	184	78,765	76	24,046	11,592	1,678,485

Source: Bank Data

The following lists describe each of the bank's flexible loan programs.

Residential Lending Programs

- **FNMA Home Ready** – The Home Ready program offers flexible underwriting standards for low-income borrowers. The program offers a low down payment, flexible funding sources for down payment and closing costs, and affordable mortgage insurance.
- **FHLMC Home Possible** – The Home Possible program offers competitive pricing and low down payment requirements (as low as 3.0 percent), accepts flexible sources of down payments, and allows non-occupying borrowers as co-borrowers. This program helps low- and moderate-income borrowers attain homeownership.
- **FHA** - The FHA insures loans for fixed and adjustable rate products with down payments as low as 3.5 percent, low closing costs, and flexible credit standards.
- **MHFA Program** – The MHFA program offers fixed interest rates with flexible credit requirements, a deferred down payment, and closing cost assistance options for low- and moderate-income borrowers. Borrowers must meet income and loan limits.

- ***MHP One Mortgage Program*** – The ONE Mortgage Program offers low- and moderate-income first-time homebuyers a down payment as low as 3.0 percent, low fixed-rated financing, and no private mortgage insurance. Borrowers must meet income guidelines to qualify for reduced-rate financing.
- ***VA*** – The VA offers various flexible fixed and adjustable rate purchase loans and refinances with up to 100.0 percent financing for U.S. armed service veterans. VA loans offer other flexibilities and benefits such as low interest rates, limited closing costs, and no private mortgage insurance.

Small Business Lending Programs

- ***SBA PPP*** – The PPP, established by the Coronavirus Aid, Relief, and Economic Security Act, helped businesses keep their workforces employed during the COVID-19 pandemic. The PPP provided a direct incentive for small businesses to keep their workers on their payrolls.
- ***SBA 7(a) Loan Program*** – The SBA 7a program provides term loans up to \$5.0 million, with the SBA guaranteeing 85.0 percent for loans of \$150,000 or less, and 75.0 percent for loans greater than \$150,000. Small businesses that meet the SBA’s size eligibility standards benefit from long-term financing options, a fixed maturity, and no prepayment penalties. The SBA’s guaranty allows institutions to offer credit at more flexible terms than through conventional commercial financing. The SBA Express program, a type of 7a loan, offers a maximum loan amount of \$350,000, a maximum guarantee of 50.0 percent, and an accelerated turnaround time of 36 hours for SBA review.
- ***SBA 504 Certified Development Company Program*** – The SBA 504 Program is an economic development program offering small business financing focused on creating jobs and promoting job growth. Through this program, approved small businesses receive long-term, fixed-rate financing for major fixed assets while only needing to contribute 10.0 percent of their own funds. The bank offers these loans in partnership with certified development companies.

In addition to the flexible loan programs included in the previous table, the bank also offered payment relief to residential, business, and consumer loan customers in response to the COVID-19 pandemic. The bank made 605 mortgage and home equity deferments totaling \$191.2 million, 1,275 business deferments totaling \$1.3 billion, and 24 consumer deferments totaling \$398,898. These deferments benefited low- and moderate-income individuals and small businesses.

Community Development Loans

RTC is a leader in making community development loans. The bank originated 153 community development loans totaling approximately \$682.5 million during the evaluation period, many of which directly addressed assessment area community development needs such as affordable housing, community services for low- and moderate-income individuals, and small business credit needs. Excellent community development lending institution-wide and in the Boston-Worcester-

Providence CSA assessment areas supports the overall conclusion. Bank performance in the Non-MSA was lower than the overall performance for this criterion. Overall, the bank’s community development loans were highly responsive to community development lending opportunities, especially within the Boston-Worcester-Providence CSA.

The total dollar volume of community development loans made during the evaluation period represents 4.1 percent of average total assets and 5.9 percent of average total loans since the prior evaluation, which is an increase compared to the prior evaluation period when the bank’s community development loans represented 3.2 percent of average total assets and 4.0 percent of average total loans. RTC’s performance exceeds that of two similarly situated institutions and is a significant increase from the prior evaluation period, during which the bank originated 37 loans totaling \$276.6 million. The bank’s community development lending increased at a rate that exceeded the bank’s asset growth since the previous evaluation period.

Examiners determined that the bank met the overall needs of the combined assessment area; therefore, examiners also considered community development loans made outside the combined assessment area, but within the broader statewide or regional area. Of the 153 community development loans, 148 totaling \$663.0 million directly benefitted the assessment areas, and 5 loans totaling \$19.5 million benefitted a broader statewide or regional area. The following tables illustrate the bank’s community development loans by year, purpose, and assessment area.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	14	26,057	7	31,025	4	39,079	16	42,562	41	138,723
2021	15	172,264	2	11,000	8	12,010	11	18,981	36	214,255
2022	19	85,910	5	47,412	9	14,163	21	89,258	54	236,743
YTD 2023	10	42,178	3	11,250	4	26,580	5	12,766	22	92,774
Total	58	326,409	17	100,687	25	91,832	53	163,567	153	682,495

Source: Bank Data

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Boston-Worcester-Providence CSA	56	315,684	17	100,687	20	80,017	51	159,247	144	655,635
Non-MSA	0	0	0	0	2	3,060	2	4,320	4	7,380
Statewide Activities	1	2,796	0	0	0	0	0	0	1	2,796
Regional Activities	1	7,929	0	0	3	8,755	0	0	4	16,684
Total	58	326,409	17	100,687	25	91,832	53	163,567	153	682,495

Source: Bank Data

The following are examples of community development loans that benefited a broader statewide or regional area that includes the bank's assessment area:

- In 2020, the bank originated a \$5.4 million SBA 504 loan to finance the construction of a new manufacturing plant in Warren, Rhode Island. The SBA 504 loan program offers small business financing, while promoting business growth and job creation. The loan promoted economic development within a broader regional area.
- In 2022, RTC originated a \$74.0 million loan to finance the construction of a residential development in Portsmouth, New Hampshire. The development will consist of 252 units, of which 27 units (10.7 percent) will be affordable; therefore, the bank received community development credit for a pro rata share of approximately \$7.9 million.

INVESTMENT TEST

The Investment Test is rated Outstanding. The bank's overall performance was consistent with the conclusions for the Boston-Worcester-Providence CSA assessment areas. Performance in the Non-MSA assessment area was below overall performance. The bank's performance in the Boston-Worcester-Providence CSA contributed the most weight to overall conclusions under the Investment Test.

This section presents the bank's overall performance in the combined assessment area. Separate presentations for the individual assessment areas are included in later sections.

Investment and Grant Activity

RTC has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, RTC and the RTC Charitable Foundation (Foundation) made 886 qualified investments and grants totaling approximately \$367.8 million. This level of qualified investments is comparable to that of other similarly situated institutions that also received Outstanding ratings. The bank's qualified investments increased at a rate that exceeded the bank's asset growth since the previous evaluation period. In total, the bank's current level of investments represent 2.2 percent of average total assets 16.8 percent of average total securities, which is an improvement compared to the prior evaluation period, when investments represented 1.5 percent of average total assets and 11.4 percent of average total securities. The following tables illustrate the bank's qualified investments by year, purpose, and assessment area.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	29	117,530	11	42,217	3	6,577	0	0	43	166,324
2020	9	56,953	3	14,576	0	0	0	0	12	71,529
2021	8	65,062	0	0	0	0	0	0	8	65,062
2022	3	26,982	1	10,871	0	0	2	7,856	6	45,709
YTD 2023	1	15,000	0	0	0	0	0	0	1	15,000
Subtotal	50	281,527	15	67,664	3	6,577	2	7,856	70	363,624
Qualified Grants & Donations	125	829	620	2,966	53	229	18	175	816	4,199
Total	175	282,356	635	70,630	56	6,806	20	8,031	886	367,823

Source: Bank Data

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Boston-Worcester-Providence CSA	160	267,725	597	70,453	45	6,755	18	8,026	820	352,959
Non-MSA	10	95	38	177	11	51	2	5	61	328
Statewide Activities	0	0	0	0	0	0	0	0	0	0
Regional Activities	5	14,536	0	0	0	0	0	0	5	14,536
Total	175	282,356	635	70,630	56	6,806	20	8,031	886	367,823

Source: Bank Data

Equity Investments

The bank has 70 qualified equity investments totaling approximately \$363.6 million. Of these, 27 totaling approximately \$197.3 million are new since the prior evaluation. The bank also maintains 43 prior period investments totaling \$166.3 million. The increase in equity investments is primarily a result of the bank's deliberate approach to seeking out LIHTCs and revenue bonds. Prior period investments include qualified investments maintained by RTC and those acquired through the merger with EBSB that maintained a book value as of the evaluation date. Please refer to the assessment area sections for more information about equity investments that benefitted individual assessment areas.

RTC's investments were responsive to assessment area needs; therefore, examiners considered investments outside of the assessment area that benefitted a broader regional area. Of the 70 qualified equity investments, 5 investments totaling approximately \$14.5 million benefitted a broader regional area. The following are examples of prior period investments that benefitted a broader regional area, including the bank's combined assessment area.

- ***Boston Capital Fund 38*** – The bank invested \$20.9 million in this LIHTC fund in 2014. The investment supports nationwide affordable housing projects, including properties in the broader regional area. The current book value is \$4.4 million.
- ***Stratford V*** – The bank invested \$3.5 million using LIHTCs. The investment supports nationwide affordable housing properties, including properties in the bank’s broader regional area. The investment’s current book value is \$606,648.

Grants and Donations

RTC and the Foundation provided 816 grants and donations totaling approximately \$4.2 million during the evaluation period. This is a significant increase compared to the 414 donations totaling approximately \$1.5 million provided during the prior evaluation period. The majority of the bank’s CRA qualified donations supported community service organizations that primarily benefit low- and moderate-income individuals. Please refer to the assessment area sections for more information about donations benefitting individual assessment areas.

Responsiveness to Credit and Community Development Needs

RTC exhibits excellent responsiveness to credit and community development needs. Community contacts identified affordable housing as a critical need in the bank’s assessment areas, and the bank more than doubled their investments and grants to affordable housing related initiatives since the prior evaluation period. Compared to the prior evaluation period, the bank increased its equity investments to affordable housing initiatives from approximately \$122.3 million to \$282.4 million. Overall, the bank’s equity investments helped contribute to the creation of more than 600 affordable housing units.

Community Development Initiatives

The bank makes significant use of innovative and/or complex investments to support community development initiatives. The bank’s diverse CRA investment portfolio consists of industrial revenue bonds, LIHTC investments, and community investment tax credits. Investments require the collaboration of multiple funding partners and sources, are competitive to obtain, and require technical expertise. The diversity of RTC’s CRA investment portfolio compares favorably to similarly situated institutions.

SERVICE TEST

The Service Test is rated High Satisfactory. The bank’s overall performance was consistent with its performance in the Boston-Worcester-Providence CSA assessment area. The bank’s performance was inconsistent in the Non-MSA assessment area, but examiners placed the greatest weight on its performance in the Boston-Worcester-Providence CSA assessment area.

This section presents the bank’s overall performance in the combined assessment area under each criterion. Separate presentations for the individual assessment areas are included in later sections.

Accessibility of Delivery Systems

RTC’s delivery systems are accessible to essentially all portions of the bank’s assessment areas. The bank maintains 120 full-service branches, 2 limited-service branches, and a mobile branch. All of the full-service branches have an ATM and 19 have an ITM. In addition, the bank maintains 20 stand-alone ATMs. The following table illustrates the distribution of branches, ATMs, and ITMs by tract income level.

Branch and ATM/ITM Distribution by Geography Income Level										
Tract Income Level	Census Tracts		Population		Branches³		ATMs		ITMs	
	#	%	#	%	#	%	#	%	#	%
Low	152	10.7	598,928	9.7	5	4.1	7	5.0	1	5.3
Moderate	268	18.8	1,166,700	18.8	20	16.4	24	17.1	2	10.5
Middle	519	36.5	2,340,413	37.7	62	50.8	69	49.3	11	57.9
Upper	432	30.4	2,032,658	32.8	34	27.9	39	27.9	5	26.3
NA	51	3.6	63,030	1.0	1	0.8	1	0.7	0	0
Total	1,422	100.0	6,201,729	100.0	122	100.0	140	100.0	19	100.0

Source: 2020 U.S. Census Data; Bank Data

As shown in the previous table, RTC’s branch and ATM distribution in low-income census tracts is lower than the demographic comparators; however, the branch and ATM distribution in moderate-income census tracts is comparable to the demographic comparators. Branch accessibility in low- and moderate-income areas improved since the prior evaluation period. Specifically, RTC’s branch presence in low-income tracts increased from 1 branch to 5 branches, and improved in moderate-income tracts from 14 to 20 branches.

In addition to branches located in low- and moderate-income census tracts, several of the bank’s branches that are located in middle- or upper-income census tracts are accessible to adjacent moderate-income census tracts, particularly in the Boston-Worcester-Providence CSA.

The 2021 FDIC Survey of Unbanked and Underbanked Households (2021 FDIC Survey) indicates that bank teller transactions remain prevalent among certain segments of the population, including lower-income households, less educated households, older households, and households in non-metropolitan areas. The bank’s branches in low- and moderate-income census tracts provide access to in-person banking transactions for individuals living in those areas. Through the bank’s 19 ITMs customers have additional access to banking services and can make transactions with the assistance of a virtual teller during extended hours past normal branch hours. One of the bank’s ITMs is located at a branch in a low-income census tract and two are located at branches in moderate-income census tracts.

In addition to its branches, ATMs, and ITMs, RTC offers various alternative delivery systems to expand access to retail banking services for all individuals, including low- and moderate-income individuals and families. For example, online and mobile banking platforms connect consumers

³ RTC’s mobile branch is not included in the total branches reflected in the table.

and businesses to their accounts 24 hours a day to perform various transactions. The bank's online functions include money transfers, bill pay, and online account opening. Through the mobile functions, personal and businesses customers can also deposit checks. Personal and business customers can also contact the bank's Customer Information Center by telephone, live chat, text message, or email. The bank also has 7 residential LPOs and 21 commercial LPOs. One residential LPO and 2 commercial LPOs are located in low-income census tracts. Three commercial LPOs are located in moderate-income tracts. These locations are available to meet with residential and business customers.

The bank provides additional access to banking services through a mobile branch. During the evaluation period, the bank used the mobile branch to augment existing branch facilities during renovations. For example, the mobile branch was parked outside of a branch in Martha's Vineyard during branch renovations. The bank also uses the mobile branch at community events, providing access to retail services for attendees.

RTC employs 144 individuals who speak at least one language other than English. These languages include Albanian, Cape Verdean, Chinese, Italian, Portuguese, and Spanish. Most employees who speak foreign languages work in branches that are in or accessible to low- and moderate-income census tracts. Additionally, employees are available to assist in other languages at the Customer Information Center and the LPOs. These language services are critical, as a large portion of low- and moderate-income individuals in the assessment areas have limited English Speaking abilities. According to the U.S. Census Bureau, approximately 82.0 percent of limited English speakers have annual incomes less than \$50,000 in Massachusetts. Having employees who speak various languages assists in enhancing accessibility to banking services for low- and moderate-income customers. It also promotes economic inclusion for non-English speaking individuals.

Please refer to the assessment area sections for specific information regarding the accessibility of delivery systems in each assessment area.

Changes in Branch Locations

To the extent changes have been made, RTC's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.

Upon acquiring EBSB, RTC acquired 42 full-service branches and a mobile branch. Immediately following the merger, RTC closed 16 EBSB branches and 2 RTC branches. Of those 18 branches, 13 (including two that were in moderate-income census tracts) were sold to other financial institutions, which secured jobs, minimized disruption to the surrounding neighborhood, and ensured continued access to a financial institution branch. The other 5 branches (one of which was in a moderate-income census tract) were closed due to close proximity with existing RTC branches and consolidated into those branches.

In addition, during the evaluation period and unrelated to the merger, the bank opened four full-service branches in Shrewsbury, Westborough, and Worcester (2) and closed six full-service branches in the Seaport area of downtown Boston, Brookline, Chatham, Jamaica Plain, Medford,

and Wellesley. One branch was in a moderate-income census tract, but customers could access another RTC branch less than one mile away. Please refer to the individual assessment areas for specific information on branch changes and the impact on low- and moderate-income areas during the review period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies, or individuals. The bank offers all of its loan and deposit products at every branch location with no variation. With minor exceptions, branch hours are consistent at each location with weekday hours of 9:00 A.M. to 4:00 P.M. Monday through Wednesday, extended hours until 5:00 P.M. on Thursdays and 6:00 P.M. on Fridays; and 9:00 A.M. to 12:00 P.M. on Saturdays. In addition, 20 branches offer Sunday hours from 10:00 A.M. to 1:00 P.M. Of the 20 branches that offer Sunday hours, 4 are located in moderate-income census tracts in Brighton, Middleboro, Norwood, and Wareham. The bank's ITMs, three of which are in low-income (1), and moderate-income (2) census tracts, also offer extended hours from 7:00 A.M. to 6:00 P.M. Monday through Friday, 8:00 A.M. to 4:00 P.M. on Saturday, and 10:00 A.M. to 3:00 P.M. on Sunday.

The bank's Free Checking and Free Savings Accounts benefit low- and moderate-income and unbanked customers. According to the 2021 FDIC Survey, approximately 29.2 percent of unbanked households cited minimum balance requirements and high fees as the main reasons for not opening a bank account. The Free Checking Account has no minimum balance requirement or monthly maintenance fee, includes a RTC debit card, and provides access to online and mobile banking. The Free Savings Account has a low \$10 minimum balance to open. There is no monthly maintenance fee, no minimum balance requirement, and it offers an ATM card for convenient account access.

Also, as noted previously, the bank has 144 employees that speak a second language, and the majority of limited English speakers in Massachusetts are low-income individuals. In addition, during the evaluation period, the bank hired a CRA outreach coordinator to establish community relationships, identify needs throughout the assessment areas, and help connect consumers who may have limited access to banking with access to financial services. To support small businesses, RTC added four additional business bankers for coverage in Saugus, Lynn, and other regions, with the goal of increasing business banking in low- and moderate-income census tracts.

Please refer to the individual assessment area sections for more specific information, including minor variations in business hours.

Community Development Services

RTC is a leader in providing community development services. RTC's leadership in developing a financial literacy program and providing financial education to low- and moderate-income individuals, extent of involvement in community development services, and Board membership on qualified community development organizations supports this conclusion.

RTC officers and employees provided 7,686 hours (464 instances) of community development services to 196 organizations during the evaluation period. This is an increase over the prior evaluation period when the bank provided 341 instances of community development services.

The number of services provided by RTC was lower than similarly situated institutions that demonstrated outstanding performance under this criterion; however, the bank’s initiatives for financial education, advocacy, and support for the community support the conclusion and reflect RTC’s leadership in providing community development services throughout the assessment areas.

As shown in the following table, RTC’s level of community development service activity was lower in 2020 and 2021 due to the COVID-19 pandemic preventing many in-person volunteer activities; however, activity increased in 2022 and 2023 to date.

The following tables illustrate the bank’s hours of community services by year, purpose, and assessment area.

Community Development Services Assessment Area: Combined					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	77	426	169	60	732
2021	110	918	278	168	1,474
2022	142	1,965	478	427	3,012
YTD 2023	143	1,528	519	278	2,468
Total	472	4,837	1,444	933	7,686

Source: Bank Data

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Boston-Worcester-Providence CSA	321	4,477	1041	910	6,749
Non-MSA	151	270	403	23	847
Statewide Activities	0	0	0	0	0
Regional Activities	0	90	0	0	90
Total	472	4,837	1,444	933	7,686

Source: Bank Data

The following are notable examples of community development services provided throughout the combined assessment area and regionally.

- **Massachusetts Housing Partnership (MHP) and Community Economic Development Assistance Corporation (CEDAC)** – The MHP is a statewide non-profit affordable housing organization that works with the Governor of Massachusetts and the Department of Housing and Community Development to increase the supply of affordable housing in the

state. Services provided by MHP include credit for low- and moderate-income borrowers and affordable housing developers, as well as technical assistance and education. An RTC's regional manager serves on the Loan Committee of MHP. The manager also serves on the Board of the CEDAC, which provides project financing and technical expertise for community and non-profit organizations engaged in affordable housing and housing preservation. Further, the manager was a 2023 recipient of a Leadership Award for advocacy for economic development and affordable housing in the Greater Boston and Rhode Island lending regions. The manager provided approximately 100 hours of service through these organizations during the evaluation period, which supported affordable housing throughout the combined assessment area and the broader statewide area.

- **Southeastern Economic Development Corporation (SEED)** – This organization supports small businesses through financing and technical assistance. RTC's President continues to provide technical expertise serving on SEED's Board of Directors (Board), and an executive assistant provides technical expertise serving on the Loan Committee. These services support economic development throughout the combined assessment area and the broader regional area. Involvement with SEED is responsive to assessment area needs, as industry leaders have encouraged partnerships with organizations such as SEED. For instance, the bank's CRA Public File includes comments from local community organizations that highlight a need for expanded access to capital for small businesses.
- **Partnership for Financial Equity** – Formerly known as the Massachusetts Community & Banking Council, the Partnership for Financial Equity is a collaboration of financial industry professionals, community leaders, and government officials dedicated to closing racial wealth gaps and improving the financial futures of low- and moderate-income households. As of 2023, RTC's CRA Officer serves on the Board of this organization. This service supports community development services for low- and moderate-income individuals.

Financial Education

The bank has an extensive financial education program including financial literacy, first time homebuyer education, and small business technical assistance. During the evaluation period, the bank provided financial education to children, teenagers, and adults; first-time homebuyer education classes to low- and moderate-income individuals; and technical assistance to local community development organizations and small businesses.

The bank's financial education program reflects excellent responsiveness, as industry leaders and community contacts have identified a critical need for financial education and homebuyer education, particularly with a focus on first generation homebuyers and homebuyers of color. RTC's CRA Public File includes public comments from local community development corporations and community leaders highlighting the need for financial education for low- and moderate-income individuals.

Financial Literacy

- *Ms. Money & the Coins* – RTC developed the Ms. Money & the Coins curriculum to provide financial education to children, teenagers, and adults. The bank’s development of this program demonstrates leadership and is particularly responsive to community needs. During the evaluation period, the bank delivered the financial literacy program to 40 elementary schools in Massachusetts, 16 of which primarily serve low- and moderate-income students. The bank offers the curriculum in both English and Spanish. During the evaluation period, there were 58 Ms. Money and the Coins presentations to 8,085 attendees, 3,020 of which were low- or moderate-income.
- *Credit for Life* – RTC partnered with seven other financial institutions to create a Virtual Credit for Life Fair focused on money management for teenagers. Typically, the fairs are in-person events, but large in-person events were not possible during some of the evaluation period due to the COVID-19 pandemic. In response, RTC collaborated with other institutions to create a virtual fair, including an innovative financial literacy website to provide high school students with an interactive and educational experience. During the evaluation period, 650 low- and moderate-income students attended the Credit for Life Fairs.
- *Podcast* – For adults, RTC offers a podcast series on its website. The podcast focuses on financial topics such as preapprovals, credit management, and financial scams.

First-time Homebuyer Education

During the evaluation period, RTC provided 62 in-person and virtual first-time homebuyer education classes to 2,045 first-time homebuyers. Of this total, 301 first-time homebuyers were low- or moderate-income, 97 of which were first generation or homebuyers of color. The bank offered the first-time homebuyer sessions in collaboration with a variety of groups including Urban Edge, Neighborhood of Affordable Housing, Massachusetts Affordable Housing Alliance, Plymouth Redevelopment Authority, and Chelsea Development Corporation.

Small Business Technical Assistance

The bank supports small businesses through RTC’s “Small Business, Big Dreams” initiative, which provides funding, promotion, and technical assistance to startup businesses and entrepreneurs. Through this initiative, RTC business bankers provided technical assistance to small businesses by helping them create business plans and strategies. As a result of the business banking relationships, participants have been able to expand their businesses, fund operating expenses, and pursue additional financing opportunities with RTC. This initiative has helped provide small business owners, including minority-owned and women-owned small businesses owners, the resources needed for success. For example, in 2023, a first-generation business owner received technical assistance and funding for their business in a low-income area in Worcester; which allowed them to expand their operations.

Please refer to the individual assessment area sections for more information and examples of community development services provided during the review period.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

BOSTON-WORCESTER-PROVIDENCE, MA-RI-NH-CT CSA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BOSTON-WORCESTER-PROVIDENCE, MA-RI-NH-CT CSA

RTC maintains 115, or 94.3 percent, of its 122 branches in the four assessment areas located in the Boston-Worcester-Providence CSA. Of total loans and deposits, 99.2 percent of the bank's loans and 95.5 percent of the bank's deposits are located in the Boston-Worcester-Providence CSA assessment areas. The four assessment areas consist of the Barnstable Town, MA MSA assessment area; Boston-Cambridge-Newton, MA-NH MSA assessment area; Providence-Warwick, RI-MA MSA assessment area; and Worcester, MA-CT MSA assessment area. The four assessment areas are contiguous and encompass Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties in their entirety.

Economic and Demographic Data

The Boston-Worcester-Providence CSA assessment areas did not change since the prior evaluation; however, the total number of census tracts increased due to the updated 2020 U.S. Census data. According to 2015 ACS data, the Boston-Worcester-Providence CSA assessment areas encompassed 1,271 census tracts with the following income designations:

- 153 low-income tracts,
- 252 moderate-income tracts,
- 478 middle-income tracts,
- 365 upper-income tracts, and
- 23 census tracts with no income designation.

According to the 2020 U.S. Census, the Boston-Worcester-Providence CSA assessment areas encompass 1,410 census tracts, an increase of 139 census tracts. The 1,410 census tracts have the following income designations:

- 152 low-income tracts,
- 266 moderate-income tracts,
- 511 middle-income tracts,
- 432 upper-income tracts, and
- 49 census tracts with no income designation.

There are no underserved or distressed nonmetropolitan middle-income geographies within the assessment areas. During the evaluation period, there were two Federal Emergency Management Agency designated Major Disaster declarations that impacted the entire State of Massachusetts: DR-4496 MA in 2020 and DR-4651-MA in 2022. DR-4496 was related to the COVID-19 pandemic and was lifted in May 2023, and DR-4651 was related to a snowstorm and severe weather in January 2022. Examiners consider bank activities related to disaster recovery that revitalize or stabilize a designated disaster area for 36 months following the designated date. Furthermore, there are 102 Opportunity Zones throughout the assessment area. The Opportunity Zone Program provides incentives for investing in certain census tracts to encourage growth in low-income areas.

The following table illustrates select demographic characteristics of the Boston-Worcester-Providence CSA assessment areas.

Demographic Information of the Assessment Area						
Assessment Area: Boston-Worcester-Providence CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,410	10.8	18.9	36.2	30.6	3.5
Population by Geography	6,166,874	9.7	18.8	37.5	33.0	1.0
Housing Units by Geography	2,521,341	9.2	19.3	39.2	31.6	0.8
Owner-Occupied Units by Geography	1,436,012	3.3	14.5	42.6	39.1	0.4
Occupied Rental Units by Geography	874,697	18.9	26.5	32.1	21.0	1.5
Vacant Units by Geography	210,632	8.3	22.0	45.0	23.8	0.8
Businesses by Geography	639,382	7.2	15.5	35.9	40.1	1.2
Farms by Geography	13,037	3.3	13.7	42.1	40.5	0.4
Family Distribution by Income Level	1,466,563	22.7	16.4	19.9	41.0	0.0
Household Distribution by Income Level	2,310,709	26.3	14.6	16.7	42.4	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$99,410	Median Housing Value			\$473,173
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Gross Rent			\$1,475
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Families Below Poverty Level			6.3%
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555				
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$96,860				
<i>Source: 2020 U.S. Census and 2022 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 Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Housing costs are relatively expensive in the assessment area. The median housing cost of \$473,173 is above the U.S. average of \$348,079 and the Massachusetts average of \$449,342.

According to 2022 D&B data, 639,382 non-farm businesses operate in the Boston-Worcester-Providence CSA assessment areas. The following reflects the gross annual revenues (GARs) for these businesses.

- 88.3 percent have \$1 million or less,
- 4.2 percent have more than \$1 million, and
- 7.5 percent have unknown revenues.

Service industries represent the largest portion of businesses at 37.3 percent; followed by non-classifiable establishments (22.0 percent); finance, insurance, and real estate (11.0 percent); and retail trade (10.2 percent). In addition, 62.2 percent of area businesses have four or fewer employees, and 91.5 percent operate from a single location.

Examiners use the FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the median family income ranges in the assessment areas in 2021 and 2022.

Median Family Income Ranges				
Assessment Area: Boston-Worcester-Providence CSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Barnstable Town, MA MSA Median Family Income (12700)				
2021 (\$89,300)	<\$44,650	\$44,650 to <\$71,440	\$71,440 to <\$107,160	≥\$107,160
2022 (\$115,600)	<\$57,800	\$57,800 to <\$92,480	\$92,480 to <\$138,720	≥\$138,720
Boston, MA MD Median Family Income (14454)				
2021 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2021 (\$120,200)	<\$60,100	\$60,100 to <\$96,160	\$96,160 to <\$144,240	≥\$144,240
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2021 (\$87,500)	<\$43,750	\$43,750 to <\$70,000	\$70,000 to <\$105,000	≥\$105,000
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
Worcester, MA-CT MSA Median Family Income (49340)				
2021 (\$96,700)	<\$48,350	\$48,350 to <\$77,360	\$77,360 to <\$116,040	≥\$116,040
2022 (\$107,900)	<\$53,950	\$53,950 to <\$86,320	\$86,320 to <\$129,480	≥\$129,480
<i>Source: FFIEC</i>				

According to the U.S. Bureau of Labor Statistics (BLS), unemployment rates increased significantly during the COVID-19 pandemic. In 2020 and 2021, the majority of the counties in the assessment area experienced unemployment rates that exceeded the state and national rate. In 2022, assessment area unemployment rates were in-line with the state and national rate, except in Barnstable and Bristol Counties where unemployment continued to exceed the state and the national average. The

table below illustrates the average annual unemployment rates in each county within the Boston-Worcester-Providence CSA assessment areas, statewide, and nationally.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Barnstable County	10.7	6.5	4.7
Bristol County	10.8	6.3	4.6
Essex County	10.3	6.1	3.9
Middlesex County	7.7	4.5	3.1
Norfolk County	8.8	5.0	3.3
Plymouth County	9.9	5.9	4.0
Suffolk County	10.3	5.7	3.6
Worcester County	9.2	5.7	3.9
Massachusetts	9.4	5.5	3.8
National Average	8.1	5.4	3.6
<i>Source: Bureau of Labor Statistics</i>			

Competition

The Boston-Worcester-Providence CSA assessment areas are highly competitive for financial services, including home mortgage and small business lending. According to FDIC Deposit Market Share data as of June 30, 2022, 116 financial institutions operate 1,700 offices in the assessment areas. Of these, RTC ranked 8th with a 2.9 percent deposit market share. The top three institutions, State Street Bank and Trust Company, Bank of America N.A., and Citizens Bank, N.A. collectively accounted for 59.9 percent of the market share.

The bank faces a high level of competition for home mortgage loans from national banks, non-depository mortgage lenders, credit unions, and other state-chartered community banks. In 2021, 704 lenders reported 370,563 residential mortgage loans within the Boston-Worcester-Providence CSA assessment areas. RTC ranked 18th, with 1.4 percent of the market share and was the highest ranked state-chartered community bank. The financial institutions that ranked ahead of RTC were large national banks and mortgage companies. In 2022, 697 lenders reported 179,917 residential loans. RTC ranked 8th, with 2.3 percent of the market share. Only one state-chartered community bank ranked higher than RTC. Eastern Bank ranked 4th with a market share of 2.6 percent.

There is also a high level of competition for small business loans from national banks, regional banks, and other state-chartered community banks. In 2021, 266 lenders reported 191,200 small business loans within the Boston-Worcester-Providence CSA assessment areas. American Express had the greatest market share, followed by Bank of America, N.A., JPMorgan Chase Bank, N.A., and Citizens Bank, N.A., collectively capturing 45.7 percent of the market share. RTC ranked 10th, with 2.4 percent of the market share. Only one state-chartered community bank ranked higher than RTC. Eastern Bank ranked 7th with a market share of 3.5 percent.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities. Examiners reviewed two recent community contacts with organizations in the assessment areas.

First, examiners reviewed a recent community contact with a community development corporation that primarily serves Lowell, Massachusetts. The contact identified affordable housing as the primary need within its service area and throughout Massachusetts. The contact highlighted that incomes levels in Lowell are lower than most Middlesex County communities, and that local wages are not sufficient considering local market rate rents. The contact also indicated that there is significant demand for affordable housing, but a limited number of affordable units. Further, increased construction costs have made the development of new affordable housing units more difficult. In addition, the contact identified a variety of community service needs for low- and moderate-income families, and noted that the organization opened of a food pantry. Although the organization expected to provide food to less than 100 families, the food pantry currently serves 550 families, indicating significant need for these types of services. These needs increased after many federal and state benefits addressing food insecurity during the COVID-19 pandemic discontinued.

In addition to needs for affordable housing and community services, the contact also noted that there are significant revitalization and economic development needs in Lowell, and that Lowell has struggled to attract residents. The contact referred to blighted areas in Lowell's downtown and misconceptions about its safety as reasons for Lowell's difficulty in attracting residents. Further, the contact noted that local small businesses require technical assistance and support to take advantage of available grants and credit and grow to more sustainable revenues. She also referenced the lack of English proficiency as a challenge for many local business owners.

In terms of credit needs, the contact identified a need for innovative and affordable homeownership programs including home purchase loan programs with financial literacy components, low down payments, and closing cost assistance. The contact indicated that small businesses need micro loans and technical support to document creditworthiness. Finally, the contact noted a need for product offerings that will help individuals build and repair credit histories. The contact indicated that local financial institutions are engaged with the organization and serving the community.

Examiners also reviewed a recent community contact with a representative of an economic development corporation serving southern Massachusetts. The contact identified a need for low-cost checking accounts with no minimum deposit and no credit score requirement for low-income individuals. Additionally, the contact that there is a need for small business financing in the area. The effects of the COVID-19 pandemic combined with current inflationary forces have made it difficult for small local businesses to compete with larger chain stores. The contact also advocated for more small business loans and fewer program grants, as working capital helps to support the day-to-day operations of the business.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing represents a primary community development need in the Boston-Worcester-Providence CSA assessment areas. Credit needs include home mortgage products accessible to low- and moderate-income borrowers and small business financing, including working capital loans, for small businesses. There is also a need for institutions to finance the construction of affordable housing units to meet high demand. Examiners also identified a secondary need for lending to and providing advice to small businesses, financing revitalization projects in assessment area cities, and funding community services to the area's population (39.1 percent) of low- and moderate-income families. Lastly, low-cost deposit accounts with no credit score requirements are a need for low- and moderate-income individuals.

Through most of the evaluation period, pandemic relief through community development programs remained as a need for residents and businesses. Financial institutions had many opportunities to provide grants to community development organizations that provide affordable housing and community services to low- and moderate-income individuals who have been negatively impacted by the COVID-19 pandemic. Finally, economic development opportunities existed in the form of flexible lending programs, grants, and financial education for small business owners.

CONCLUSIONS ON PERFORMANCE CRITERIA IN BOSTON-WORCESTER-PROVIDENCE CSA

LENDING TEST

RTC demonstrated excellent performance under the Lending Test in the Boston-Worcester-Providence CSA assessment areas. The bank's excellent Lending Activity and Community Development Lending performance primarily supports this conclusion. Examiners placed slightly greater weight on home mortgage lending than small business lending in this assessment area due to the higher volume during the evaluation period.

Lending Activity

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. In 2020, 2021, and 2022, RTC originated or purchased 14,447 home mortgage loans totaling approximately \$5.1 billion and 12,799 small business loans totaling approximately \$1.4 billion inside the Boston-Worcester-Providence CSA assessment areas. Home mortgage lending volume decreased from 2021 to 2022. The decline in home mortgage lending did not negatively affect bank performance under this criteria. HMDA aggregate data shows that the entire market had significantly less lending in 2022 compared to 2021. Additionally, small business lending declined from 2021 to 2022. A large portion of the bank's 2021 small business lending included loans offered through the PPP, which the SBA discontinued in May 2021 as the economic impact of the Covid-19 pandemic dissipated; therefore, this decline did not negatively impact performance.

As mentioned in the Competition section, RTC was the highest or second highest ranked state chartered institution in home mortgage lending. Similarly, for small business lending, RTC was the second highest ranked state chartered institution, outperformed only by Eastern Bank.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the Boston-Worcester-Providence CSA assessment areas. The bank’s good performance of home mortgage and adequate performance in small business lending support 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 good penetration throughout the assessment areas. Although RTC’s performance in low- and moderate-income tracts was below aggregate and demographics in 2021, performance improved in 2022, exceeding demographics and was closer to aggregate. Market share reports for 2021 and 2022, showed RTC as the 2nd highest ranked state-chartered community bank for lending in both low- and moderate-income geographies, outperformed only by Eastern Bank. The bank’s positive trend in lending in low- and moderate-income tracts in 2022 and market share rankings support the conclusion.

Geographic Distribution of Home Mortgage Loans							
Assessment Area: Boston-Worcester-Providence CSA							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2021	3.3	4.2	137	2.6	52,864	2.7
	2022	3.3	4.6	145	3.5	99,137	6.8
Moderate							
	2021	14.1	14.5	704	13.5	362,546	18.2
	2022	14.5	15.7	614	14.7	247,725	17.0
Middle							
	2021	44.6	42.7	2,356	45.1	718,026	36.1
	2022	42.6	41.4	1,807	43.2	510,902	35.1
Upper							
	2021	37.9	38.5	2,020	38.7	851,201	42.8
	2022	39.1	37.8	1,596	38.2	591,654	40.7
Not Available							
	2021	0.1	0.1	4	0.1	2,247	0.1
	2022	0.4	0.5	17	0.4	5,786	0.4
Totals							
	2021	100.0	100.0	5,221	100.0	1,986,884	100.0
	2022	100.0	100.0	4,179	100.0	1,455,203	100.0
<i>Source: 2015 ACS and 2020 U.S. Census; Bank Data, 2021, & 2022 HMDA Aggregate Data</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. In 2021, lending in low-income census tracts was below aggregate and demographics. RTC ranked 18th out of 266 small business lenders and ranked 3rd among state-chartered community banks in low-income census tracts. In 2022, lending decreased by number of loans and remained below demographics.

In moderate-income census tracts, the bank’s 2021 lending was below aggregate and demographics. RTC ranked 14th out of 266 lenders and ranked 2nd among community banks in moderate-income census tracts. Top ranked institutions including American Express, N.A., Bank of America, N.A., and JP Morgan Chase Bank, N.A. originated 38.2 percent of all small business loans within the moderate-income census tracts. In 2022, performance exceeded demographics.

Geographic Distribution of Small Business Loans						
Assessment Area: Boston-Worcester-Providence CSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	7.8	7.8	189	4.1	23,611	4.7
2022	7.2	-	67	4.6	14,446	5.1
Moderate						
2021	15.2	16.0	615	13.2	65,262	12.9
2022	15.5	-	233	15.9	45,970	16.2
Middle						
2021	37.2	38.6	2,318	49.9	255,284	50.4
2022	35.9	-	647	44.0	108,870	38.5
Upper						
2021	39.2	-	1,515	32.6	161,942	31.9
2022	40.1		518	35.3	112,150	39.6
Not Available						
2021	0.6	0.5	11	0.2	854	0.2
2022	1.2	-	4	0.3	1,622	0.6
Totals						
2021	100.0	100.0	4,648	100.0	506,953	100.0
2022	100.0	100.0	1,469	100.0	283,058	100.0

*Source: 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "-" data not available.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different incomes and businesses of different sizes. The bank’s good performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home

mortgage loans to low- and moderate-income individuals and the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, lending to low-income borrowers exceeded aggregate in 2021 and 2022. The bank’s lending was below the percentage of low-income families in 2021 and 2022. A low-income family in the Boston-Worcester-Providence CSA assessment areas, earning less than \$69,350, may have difficulty qualifying for a mortgage under conventional underwriting standards, especially considering the median housing value of \$473,173. Additionally, 6.3 percent of families in the assessment areas are below the poverty level. These factors help explain the disparity between lending to low-income families and the percentage of low-income families.

RTC’s lending to moderate-income borrowers exceeded demographics and aggregate in in both years. Overall, the bank’s performance in comparison to aggregate supports good performance to low- and moderate-income individuals.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Boston-Worcester-Providence CSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	23.3	5.2	296	5.7	52,030	2.6
2022	22.7	7.1	320	7.7	50,528	3.5
Moderate						
2021	16.4	17.6	993	19.0	231,469	11.7
2022	16.4	19.1	856	20.5	177,838	12.2
Middle						
2021	19.5	22.6	1,235	23.7	336,119	16.9
2022	19.9	22.9	1,029	24.6	272,372	18.7
Upper						
2021	40.8	40.4	2,321	44.5	834,053	42.0
2022	41.0	38.2	1,685	40.3	597,873	41.1
Not Available						
2021	0.0	14.3	376	7.2	533,213	26.8
2022	0.0	12.7	289	6.9	356,592	24.5
Totals						
2021	100.0	100.0	5,221	100.0	1,986,884	100.0
2022	100.0	100.0	4,179	100.0	1,455,203	100.0
<i>Source: 2015 ACS and 2020 U.S. Census; Bank Data, 2021, & 2022 HMDA Aggregate Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs of \$1.0 million or less. As shown in the following table, RTC’s performance was well below aggregate data in 2021; however, the bank originated a large number of loans in 2021 where GAR information was not available. PPP loans comprised a significant portion of these loans since PPP applicants were not required to provide revenue information. The large number of small business loans in the “Revenue Not Available” category distorts the results. Only 1,272 (27.4 percent) of the bank’s small business loans in 2021 included revenue information. Of the 1,272 small business loans with revenue information, RTC originated 51.7 percent to businesses with GARs of \$1.0 million or less, which exceeds 2021 aggregate performance and is consistent with the bank’s performance in 2022. Furthermore, market share reports for 2021 indicate that RTC was the 2nd highest ranked state-chartered community bank lending to businesses with GARs of \$1.0 million or less, outperformed only by Eastern Bank.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Boston-Worcester-Providence CSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	87.1	42.7	657	14.1	82,903	16.4
2022	88.3	-	725	49.4	94,148	33.3
>\$1,000,000						
2021	4.8	-	615	13.2	170,198	33.6
2022	4.2	-	627	42.7	171,517	60.6
Revenue Not Available						
2021	8.1	-	3,376	72.6	253,852	50.1
2022	7.5	-	117	8.0	17,393	6.1
Totals						
2021	100.0	100.0	4,648	100.0	506,953	100.0
2022	100.0	-	1,469	100.0	283,058	100.0
<i>Source: 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "-" data not available. Due to rounding, totals may not equal 100.0%</i>						

As borrower revenue data is unavailable for PPP loans, examiners also evaluated PPP loans using loan size as a proxy. A majority of PPP loans originated in 2021 had loan sizes less than \$100,000. Furthermore, 93.2 percent of PPP loans had loan sizes below \$250,000. The high percentage of relatively small loan amounts supports that the bank helped to serve the needs of small businesses in the assessment areas. Refer to the following table for details.

Distribution of PPP Loans By Loan Size (2021)				
Assessment Area: Boston-Worcester-Providence CSA				
Loan Size	#	%	\$(000s)	%
< \$100,000	2,721	80.8	75,487	30.6
\$100,000 - \$249,999	418	12.4	67,059	27.2
\$250,000 - \$1,000,000	230	6.8	103,993	42.2
Total	3,369	100.0	246,539	100.0
<i>Source: 1/1/2021 – 12/31/2021 Bank Data</i>				
<i>Due to rounding, totals may not equal 100.0</i>				

Community Development Loans

RTC is a leader in making community development loans in the Boston-Worcester-Providence CSA assessment areas. During the evaluation period, the bank originated 144 loans totaling approximately \$655.6 million in the assessment areas. This level of activity is a significant increase from the prior evaluation period, during which the bank originated 37 loans totaling \$276.6 million. The following table illustrates the bank’s community development loans in the Boston-Worcester-Providence CSA assessment areas by community development purpose and year.

Community Development Lending										
Assessment Area: Boston-Worcester-Providence CSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	14	26,057	7	31,025	2	31,549	15	41,162	38	129,793
2021	15	172,264	2	11,000	5	7,725	11	18,981	33	209,970
2022	17	75,185	5	47,412	9	14,163	21	89,258	52	226,018
YTD 2023	10	42,178	3	11,250	4	26,580	4	9,846	21	89,854
Total	56	315,684	17	100,687	20	80,017	51	159,247	144	655,635
<i>Source: Bank Data</i>										

The following are examples of community development loans the bank originated during the evaluation period.

- In 2020, RTC originated a \$13.6 million loan to finance the development of a new manufacturing facility for a local business. The facility is located in a low-income census tract and a designated Opportunity Zone in Worcester. The new facility supported economic development with the creation of 50 new low- and moderate-income jobs.
- In 2021, RTC originated a \$61.0 million loan to finance the acquisition and rehabilitation of an existing 283-unit affordable housing complex located in Salem. Of the 283 units, 226 or 80.0 percent, are affordable for families with incomes below 60.0 percent of the median family income.

INVESTMENT TEST

RTC demonstrated excellent performance under the Investment Test in the Boston-Worcester-Providence CSA assessment area. The bank’s excellent performance in the Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria supports this conclusion.

Investment and Grant Activity

The bank has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank made 820 qualified investments totaling approximately \$353.0 million, of which 65 totaling \$349.1 million were equity and security investments.

Qualified Investments Assessment Area: Boston-Worcester-Providence CSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	24	102,994	11	42,217	3	6,577	0	0	38	151,788
2020	9	56,953	3	14,576	0	0	0	0	12	71,529
2021	8	65,062	0	0	0	0	0	0	8	65,062
2022	3	26,982	1	10,871	0	0	2	7,856	6	45,709
YTD 2023	1	15,000	0	0	0	0	0	0	1	15,000
Subtotal	45	266,991	15	67,664	3	6,577	2	7,856	65	349,088
Qualified Grants & Donations	115	734	582	2,789	42	178	16	170	755	3,871
Total	160	267,725	597	70,453	45	6,755	18	8,026	820	352,959

Source: Bank Data

Below are notable examples of the bank’s current and prior period equity investments.

Current Period Investments

- ***Boston Financial Northeast Fund/Salem Heights*** – In 2021, RTC purchased \$10.0 million in LIHTCs to provide tax credit equity to help fund the acquisition and renovations of 281 affordable housing units in Salem. RTC led the financing on this project. This funding was also in collaboration with other participating institutions.
- ***RBC Community Investment Fund/120 Washington 4 LLC*** – In 2022, RTC purchased \$13.0 million in LIHTCs. The tax-credit equity was used to construct over 60 units of affordable rental housing in Worcester. RTC’s involvement was part of a larger revitalization project to create a mixed-use complex containing commercial and residential space in a moderate-income area of Worcester. Under this project, RTC made two additional investments in the form of revenue bonds totaling \$7.8 million to support revitalization and stabilization efforts.

- **NEF 2023** – In 2023, the bank purchased \$15.0 million in LIHTCs. The tax credit equity was used to support the creation of 42 affordable housing units in Bourne. All units are affordable to households earning less than 60 percent of the area median income, with 16 units further restricted for households earning less than 30 percent of the area median income, and in some cases, transitioning from homelessness.

Prior Period Equity Investments

- **Somerville Community Corporation** – RTC maintains three tax-exempt bonds totaling \$18.0 million. The bonds were purchased on behalf of a non-profit organization that promotes and preserves affordable housing. Bond proceeds were used to preserve 69 affordable housing units in Somerville.
- **Talbot Commons** – RTC maintains a \$3.1 million tax-exempt bond for the purchase and renovation of an affordable multi-family housing facility in Dorchester’s Codman Square. The project also utilized funding from LIHTCs which provided additional funding sources for the project. The collaborative project secured 40 units of affordable housing in the Codman Square neighborhood.
- **Malden Housing Authority** – RTC maintains an \$8.8 million tax-exempt bond. Bond proceeds meet an affordable housing purpose and were used to renovate and improve Malden Housing Authority buildings and housing units.

RTC and its Foundation made 755 donations totaling approximately \$3.9 million within the Boston-Worcester-Providence CSA, with a majority of donations supporting community service organizations that serve low- and moderate-income individuals. Below are notable examples of CRA-qualified donations.

- **Jamaica Plain Neighborhood Development Corporation (JPNDC)** – Throughout the evaluation period, the Foundation donated \$25,000 to the JPNDC. These donations contributed to the building of the Center for Equity and Prosperity in Jamaica Plain. With the expansion and renovation of JPNDC’s facilities, this organization will expand and improve its ability to help low- and moderate-income families with community services such as financial education, affordable childcare, affordable housing assistance, career workshops, and crisis support. The Foundation’s contribution supports community development services for low and moderate-income individuals.
- **Old Colony YMCA** – During the evaluation period, the Foundation granted a total of \$100,000 to the Old Colony YMCA in support of its capital campaign to renovate the Youth Division building located in Brockton. The construction of the Youth Division building allows the YMCA to expand its programming to accommodate additional social services, affordable childcare, and after-school programming. The Old Colony YMCA is located in a low-income geography, and 90 percent of those served are low-income youth. The Foundation’s contribution supports community services for low- and moderate-income individuals.

- ***Father Bill's & Mainspring*** - During the evaluation period, the Foundation donated \$50,000 as part of a \$100,000 commitment to help fund the construction of a new Housing Resource Center in Quincy. The center will provide emergency shelter for homeless individuals and 30 permanent supportive housing units. Additional services will include childcare services, substance abuse treatment, educational opportunities, and a variety of additional community services for low-income families and individuals.

Responsiveness to Credit and Community Development Needs

RTC exhibits excellent responsiveness to credit and community development needs in the Boston-Worcester-Providence CSA. The bank's investment in the Massachusetts's Community Investment Tax Credit (CITC) program is responsive to low- and moderate-income individuals in the assessment areas. Through the Department of Housing and Community Development, the CITC enables local residents and stakeholders to work with community development corporations and partner with non-profit, public, and private entities to improve economic opportunities for low- and moderate-income households and other residents across Massachusetts. In 2022, RTC invested \$150,000 in the CITC to benefit 13 community development organizations that operate in the Boston-Worcester-Providence CSA. All organizations work to improve economic opportunities for low- and moderate-income individuals. Additionally, the substantial majority of the bank's investment activity supports affordable housing initiatives, which is a primary need identified by the community contact.

Community Development Initiatives

The bank makes significant use of innovative and/or complex investments to support community development initiatives. The 120 Washington LLC project included both LIHTCs and revenue bonds, which is an innovative way to invest in community development in areas with significant needs. Additionally, the bank proactively pursued several other LIHTC investments, which involve greater complexity and require expertise. Lastly, investment in the CITC program is a new initiative for RTC and is an example of an investment that requires collaboration among multiple partners.

SERVICE TEST

RTC demonstrated good performance under the Service Test in the Boston-Worcester-Providence CSA assessment areas. The bank's good performance in the Accessibility of Delivery Systems, Changes in Branch Locations, and Reasonableness of Hours and Services and excellent performance in Community Development Services criteria primarily support this conclusion. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are accessible to essentially all portions of the assessment area. RTC operates 115, or 94.2 percent, of its branches throughout the Boston-Worcester-Providence CSA assessment areas. The following table shows RTC's branch, ATM, and ITM distribution by census

tract income level along with the population distribution by census tract income level as a comparator.

Branch and ATM Distribution by Geography Income Level										
Assessment Area: Boston-Worcester-Providence CSA										
Tract Income Level	Census Tracts		Population		Branches		ATMs		ITMs	
	#	%	#	%	#	%	#	%	#	%
Low	152	10.8	598,928	9.7	5	4.3	7	5.3	1	5.3
Moderate	266	18.9	1,161,361	18.8	19	16.5	23	17.3	2	10.5
Middle	511	36.2	2,310,897	37.5	56	48.7	63	47.4	11	57.9
Upper	432	30.6	2,032,658	33.0	34	29.6	39	29.3	5	26.3
NA	49	3.5	63,030	1.0	1	0.9	1	0.8	0	0
Total	1,410	100.0	6,166,874	100.0	115	100.0	133	100.0	19	100.0

Source: 2020 ACS Data; Bank Data

As shown in the previous table, branch and ATM distribution is below the percentage of low- and moderate-income census tracts as well as the percentage of the population residing in the low- and moderate-income geographies. However, the bank operates several branches that are located outside of but accessible to low- and moderate-income geographies. Many of the bank’s branches are in municipalities with significant portions of low- and moderate-income census tracts. Boston has among the highest concentrations of the assessment area’s low- and moderate-income tracts, and RTC has 17 locations throughout Boston. For example, the bank operates three branches in low-income (2) and moderate-income (1) census tracts in East Boston that are accessible to additional low- and moderate-income census tracts. The bank’s Dorchester Codman Square branch is also located in a moderate-income tract and accessible to the adjacent low-income (2) and moderate-income (3) census tracts. Residents of low- and moderate-income census tracts throughout Boston can access RTC’s Boston branches by public transportation (bus, subway and commuter rail).

There are also other areas, to the north and south of Boston, that contain high concentrations of low- and moderate-income tracts where the bank maintains a branch presence including Brockton, Quincy, Lynn, Revere, Saugus, Somerville. Several of the bank’s branches that are located in middle- or upper-income census tracts in these areas are accessible to adjacent moderate-income census tracts. For example branches in middle-income tracts in Brockton, Peabody, Saugus, Quincy, and Weymouth are adjacent to low- and moderate-income tracts. Please see the overall evaluation for further detail.

Changes in Branch Locations

To the extent that changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank opened branches in Shrewsbury, Westborough, and Worcester (2). The Shrewsbury branch is in an upper-income tract, the Westborough branch is in a middle-income tract, and the Worcester branches are located in a middle-income tract and a low-income tract. During the

evaluation period, the bank closed branches in the Seaport area of Boston, Brookline, Jamaica Plain, Chatham, Medford, and Wellesley. The Seaport, Brookline, Jamaica Plain, and Wellesley branches were in upper-income tracts, the Chatham branch was in a middle-income tract, and the Medford branch was located in a moderate-income tract. While the bank closed a branch in a moderate-income census tract in Medford (April 2021), customers had access to another branch in Somerville less than one mile away. In November 2021, RTC acquired an EBSB branch in Medford that is located within one mile of the closed branch.

Further, as a result of the merger with EBSB, RTC closed 16 EBSB and 2 RTC branches in the assessment area. Of the 18 branches, 13 were acquired by other financial institutions and the remaining 5 were consolidated into existing branches within a 1-mile radius. Three of the closed branches were located in moderate-income census tracts in Allston, Brighton, and Melrose; however, the Brighton and Melrose branches were sold to other financial institutions. Further, RTC maintained other branches within a 1-mile radius of each of the closed branch locations.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies, or individuals in the assessment area. No material differences exist among products or services offered within branches.

Branch hours are generally consistent across branches, ranging from 9:00 A.M. to 4:00 P.M. Monday through Wednesday; 9:00 A.M. to 5:00 P.M. on Thursday; and 9:00 A.M. to 6:00 P.M. on Friday. Most branches have limited Saturday hours from 9:00 A.M. to 1:00 P.M. and 20 have limited Sunday hours from 10:00 A.M. to 1:00 P.M. All but one of the 24 branches located in low- and moderate-income census tracts have Saturday hours, while four (Brighton, Middleboro, Norwood, Wareham) have Sunday hours.

Community Development Services

RTC is a leader in providing community development services in the Boston-Worcester-Providence CSA assessment areas. The majority of all service activity occurred in these assessment areas, which is in line with the significant percentage of branches as well as lending and deposit activity in the assessment areas. Bank employees provide technical support and financial expertise by serving on boards and other committees of community development organizations, as well as providing extensive financial literacy and education to low- and moderate-income individuals. This involvement demonstrates the bank's leadership and responsiveness to community needs.

The following table reflects the hours of community services provided during the evaluation period by year and purpose.

Community Development Services					
Assessment Area: Boston-Worcester-Providence CSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	5	404	79	60	548
2021	82	888	158	168	1,296
2022	127	1,854	366	425	2,772
YTD 2023	107	1,331	438	257	2,133
Total	321	4,477	1,041	910	6,749
<i>Source: Bank Data</i>					

Performance in 2020 and 2021 lagged 2022 and year-to-date 2023 in part due to the COVID-19 pandemic. The bank demonstrated responsiveness to the needs of the community by increasing the level of services provided in 2022 and 2023 year-to-date and by hiring a full-time CRA officer to identify community needs, establish connections with community groups, and monitor the bank’s community development activities.

The following are notable examples of community development services in the assessment area.

- ***Community Economic Development Assistance Corporation (CEDAC)*** – CEDAC is a public-private community development financial institution that provides project financing and technical expertise for community and non-profit organizations engaged in affordable housing and housing preservation. A Senior Vice President serves on CEDAC’s Board of Directors as Treasurer and contributed approximately 60 hours during the evaluation period. This individual’s participation on the CEDAC Board supports affordable housing efforts in the assessment areas.
- ***Housing Assistance Corporation (HAC)*** – HAC serves more than 190,000 low- and moderate-income households on Cape Cod, Nantucket, and Martha’s Vineyard with homelessness prevention and housing stabilization. A Commercial Vice President serves on HAC’s Board and participates in the Upper Cape Cod Affordable Housing Peer Group, supporting affordable housing efforts.
- ***Entrepreneurship for All*** – The organization helps create employment in economically-challenged cities through entrepreneurship in small businesses. Entrepreneurship for All offers programs focused on business training, mentorship, and provides connections to professional networks. Programs for small businesses are available to both English and Spanish speaking clients. The bank’s Commercial Loan Officer served over 60 hours as a mentor in the Worcester area during the evaluation period. The participation supports an economic development purpose.

NONMETROPOLITAN STATEWIDE AREA – Full Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NON-MSA ASSESSMENT AREA

RTC maintains 7, or 5.7 percent, of its 122 branches in the Non-MSA assessment area. The Non-MSA assessment area represents 0.8 percent of the total number of census tracts, 4.8 percent of the bank’s loans, and 4.5 percent of the bank’s deposits. This assessment area consists of Dukes and Nantucket Counties in their entirety. These counties include the islands of Nantucket, Martha Vineyard, and several other small islands off the coast of Massachusetts.

Economic and Demographic Data

The Non-MSA assessment area did not change since the prior evaluation, however the number of census tracts increased due to the updated 2020 U.S. Census data. According to 2015 ACS data, the Non-MSA assessment area encompassed 11 census tracts with the following income designations:

- 0 low-income tracts,
- 1 moderate-income tract,
- 6 middle-income tracts,
- 2 upper-income tracts, and
- 2 census tracts with no income designation.

According to the 2020 U.S. Census, the Non-MSA assessment area encompasses 12 census tracts, an increase of 1 census tract. The 12 census tracts have the following income designations:

- 0 low-income tracts,
- 2 moderate-income tracts,
- 8 middle-income tracts,
- 0 upper-income tracts, and
- 2 census tracts with no income designation.

There are five underserved nonmetropolitan middle-income geographies in Nantucket County. There were two Federal Emergency Management Agency designated Major Disaster declarations that impacted the entire State of Massachusetts: DR-4496 MA in 2020 and DR-4651-MA in 2022. DR-4496 was related to the COVID-19 pandemic and was lifted in May 2023, and DR-4651 was related to a snowstorm and severe weather in January 2022. Examiners consider bank activities related to disaster recovery that revitalize or stabilize a designated disaster area for 36 months following the designated date.

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

Demographic Information of the Assessment Area						
Assessment Area: Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	16.7	66.7	0.0	16.7
Population by Geography	34,855	0.0	15.3	84.7	0.0	0.0
Housing Units by Geography	30,528	0.0	15.0	85.0	0.0	0.0
Owner-Occupied Units by Geography	7,553	0.0	18.1	81.9	0.0	0.0
Occupied Rental Units by Geography	3,043	0.0	25.0	75.0	0.0	0.0
Vacant Units by Geography	19,932	0.0	12.2	87.8	0.0	0.0
Businesses by Geography	7,225	0.0	15.2	84.8	0.0	0.0
Farms by Geography	287	0.0	14.6	85.4	0.0	0.0
Family Distribution by Income Level	6,648	21.6	16.8	24.4	37.1	0.0
Household Distribution by Income Level	10,596	22.1	18.9	16.5	42.5	0.0
Median Family Income Non-MSAs - MA		\$107,833	Median Housing Value			\$1,032,948
			Median Gross Rent			\$1,642
			Families Below Poverty Level			2.2%
<i>Source: 2020 U.S. Census and 2022 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 Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Housing demographics in the Non-MSA assessment area differ from the overall assessment area due to the islands seasonal tourism. Of the 30,528 housing units, 65.3 percent are vacant and 10.0 percent are occupied rental units. There is a significant volume of secondary and rental homes in the area. In addition, housing costs are extremely expensive in the assessment area. The median housing cost of \$1,032,948 is well above the U.S. average of \$348,079 and the Massachusetts average of \$449,342.

According to 2022 D&B data 7,225 non-farm businesses operate in the Non-MSA assessment area. The following reflects the GARs for these businesses.

- 88.8 percent have \$1 million or less,
- 4.3 percent have more than \$1 million, and
- 6.8 percent have unknown revenues.

Service industries represent the largest portion of businesses at 29.1 percent; followed by non-classifiable establishments (22.2 percent); retail trade (13.7 percent); and construction (13.2 percent). In addition, 61.7 percent of area businesses have four or fewer employees, and 93.1 percent operate from a single location.

Examiners use the FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the median family income ranges in the assessment area in 2021 and 2022.

Median Family Income Ranges Assessment Area: Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$111,700)	<\$55,850	\$55,850 to <\$89,360	\$89,360 to <\$134,040	≥\$134,040
2022 (\$119,400)	<\$59,700	\$59,700 to <\$95,520	\$95,520 to <\$143,280	≥\$143,280
<i>Source: FFIEC</i>				

According to the U.S. BLS, unemployment rates increased significantly during the COVID-19 pandemic. In 2020, 2021, and 2022, Dukes and Nantucket Counties experienced unemployment rates that exceeded the state and national rate. The table below illustrates the average annual unemployment rates in each County within the Non-MSA assessment area.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Dukes County	10.3	6.3	5.2
Nantucket County	11.7	7.4	6.3
Massachusetts	9.4	5.5	3.8
National Average	8.1	5.4	3.6
<i>Source: Bureau of Labor Statistics</i>			

Competition

The competition in the Non-MSA assessment area is limited for financial services, including home mortgage and small business lending. According to FDIC Deposit Market Share data as of June 30, 2022, 6 financial institutions operate 23 offices in the assessment area. Of these, RTC ranked 2nd with 26.7 percent of the deposit market share. Martha’s Vineyard Bank ranked 1st with a 34.9 percent market share and Cape Cod Five Cents Savings Bank ranked 3rd with a 20.2 percent market share.

The bank faces moderate competition for home mortgage loans from national banks, non-depository mortgage lenders, credit unions, and other state-chartered community banks. In 2021, 241 lenders reported 3,202 residential loans within the Non-MSA assessment area. RTC reported 144 loans and ranked 3rd with a 4.5 percent market share. Cape Cod Five Cents Savings Bank ranked 1st with 17.1 percent of the market share, and Martha’s Vineyard Bank ranked 2nd with 11.5 percent of the market share. In 2022, 171 lenders reported 1,760 residential mortgage loans. RTC reported 129 residential loans and ranked 3rd with 7.3 percent of the market share. The financial institutions that ranked ahead of RTC included Cape Cod Five Cent Savings Bank ranked 1st with 22.7 percent of the market share, and Martha’s Vineyard Bank ranked 2nd with a market share of 10.6 percent.

There is also moderate competition for small business loans from national banks, regional banks, and other state-chartered community banks. In 2021, 69 lenders reported 2,902 small business loans within the Non-MSA assessment area. American Express had the greatest market share, followed by Bank of America, N.A., and Cape Cod Five Cents Savings Bank, collectively capturing

51.9 percent of the market share. RTC reported 207 small business loans and ranked 4th with 7.1 percent of the market share.

Community Contact

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

Examiners contacted a representative from a non-profit organization whose mission is to preserve and provide affordable housing solutions for the year-round community in Nantucket. The contact mentioned RTC as a supporter and noted their organization was a 2-year recipient of a Community Investment Tax Credit award from RTC. The contact also noted additional opportunities exist for financial institutions to be involved through financial educational seminars for individuals.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact and available economic and demographic data to determine the assessment area's primary credit and community development needs. Examiners determined that affordable housing and financial literacy are primary community development needs. Flexible loan products are primary credit needs for low- and moderate-income borrowers and small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA ASSESSMENT AREA

LENDING TEST

RTC demonstrated adequate performance under the Lending Test in the Non-MSA assessment area. Good performance under Lending Activity and adequate performance under Geographic Distribution, Borrower Profile, and Community Development Lending primarily supports this conclusion. Examiners gave equal weight to home mortgage and small business lending because the volume of loans was similar during the evaluation period.

Lending Activity

The bank's lending levels reflect good responsiveness to assessment area credit needs. In 2020, 2021, and 2022, RTC originated or purchased 439 home mortgage loans totaling approximately \$270.2 million and 587 small business loans totaling approximately \$61.5 million in the assessment area.

Home mortgage lending volume remained relatively consistent throughout the evaluation period with a slight drop in volume from 2021 to 2022. HMDA aggregate data shows that the entire market had significantly less lending in 2022 compared to 2021. Small business lending declined significantly from 2021 to 2022. A large portion of the bank's 2021 small business lending included PPP loans. As

stated, the SBA discontinued the PPP in 2021; therefore, this decline did not negatively impact performance. As mentioned in the Competition section, RTC was the third highest ranked state chartered institution in home mortgage lending in the assessment area. Similarly, for small business lending, RTC was the fourth highest ranked state chartered institution.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Non-MSA assessment area. The bank’s adequate performance of home mortgage and small business lending support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. RTC’s performance in moderate-income tracts was below aggregate and demographics in 2021. The bank’s lending performance improved in 2022; however, continued to trail demographics and aggregate data. Market share reports indicate that RTC ranked 3rd for lending in moderate-income geographies in 2021 and 2022, outperformed by Cape Cod Five Cents Savings Bank (ranked 1st) and Martha’s Vineyard Bank (ranked 2nd). The bank’s positive trend in moderate-income tracts in 2022 and market share rankings support the conclusion.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
Moderate						
2021	11.8	11.9	8	5.6	2,370	2.5
2022	18.1	13.7	17	13.2	8,552	9.6
Middle						
2021	78.3	77.1	114	79.2	79,027	83.0
2022	81.9	86.3	112	86.8	80,123	90.4
Upper						
2021	9.9	11.0	22	15.3	13,764	14.5
2022	0.0	0.0	0	0.0	0	0.0
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
Totals						
2021	100.0	100.0	144	100.0	95,161	100.0
2022	100.0	100.0	129	100.0	88,675	100.0
<i>Source: 2015 ACS and 2020 U.S. Census; Bank Data, 2021, & 2022 HMDA Aggregate Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. RTC’s performance in 2021 was below aggregate and demographics in moderate-income census tracts. RTC ranked 5th out of 69 small business lenders and was the highest ranked state-chartered community bank in moderate-income census tracts. Top ranked institutions, American Express, N.A., and Capital One Bank (USA), N.A., originated 45.8 percent of all small business loans within the moderate-income census tracts. In 2022, performance exceeded demographics. This performance reflects adequate penetration.

Geographic Distribution of Small Business Loans						
Assessment Area: Non-MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	-	0	0.0	0	0.0
Moderate						
2021	12.0	11.2	18	8.7	2,263	10.1
2022	15.2	-	9	20.5	2,287	29.4
Middle						
2021	70.2	68.5	140	68.0	15,315	68.7
2022	84.8	-	35	79.5	5,488	70.6
Upper						
2021	17.8	20.3	48	23.3	4,721	21.2
2022	0.0	-	0	0.0	0	0.0
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	-	0	0.0	0	0.0
Totals						
2021	100.0	100.0	206	100.0	22,299	100.0
2022	100.0	100.0	44	100.0	7,775	100.0
<i>Source: 2021, & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "-" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different incomes and businesses of different sizes in the Non-MSA assessment area. The bank’s adequate performance of home mortgage lending and good performance of small business lending supports this conclusion. Examiners gave equal weight to home mortgage and small business lending because the volume of loans was similar during the evaluation period. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income individuals and the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, lending to low-income borrowers exceeded aggregate performance but was well below demographics in 2021. A low-income family in the Non-MSA assessment area, earning less than \$55,850, may have difficulty qualifying for a mortgage under conventional underwriting standards, considering the median housing value of \$1,032,948. These factors help explain the disparity between lending to low-income families and the percentage of low-income families. The bank did not originate any loans to low-income borrowers in 2022.

RTC’s lending performance to moderate-income borrowers was below aggregate performance and the percentage of moderate-income families in 2021. Lending increased slightly in 2022 and exceeded aggregate performance. Overall, the bank’s performance in comparison to aggregate performance supports the conclusion.

Distribution of Home Mortgage Loans by Borrower Income Level							
Assessment Area: Non-MSA							
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%	
Low							
2021	19.6	2.8	6	4.2	1,685	1.8	
2022	21.6	2.7	0	0.0	0	0.0	
Moderate							
2021	12.5	7.9	10	6.9	2,716	2.9	
2022	16.8	7.0	13	10.1	3,347	3.8	
Middle							
2021	16.3	12.8	18	12.5	6,052	6.4	
2022	24.4	11.5	24	18.6	7,268	8.2	
Upper							
2021	51.6	63.5	98	68.1	59,513	62.5	
2022	37.1	65.5	71	55.0	48,002	54.1	
Not Available							
2021	0.0	13.0	12	8.3	25,196	26.5	
2022	0.0	13.3	21	16.3	30,059	33.9	
Totals							
2021	100.0	100.0	144	100.0	95,161	100.0	
2022	100.0	100.0	129	100.0	88,675	100.0	
<i>Source: 2015 ACS and 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs of \$1.0 million or less. As shown in the following table, RTC’s performance was well below aggregate performance in 2021; however, the bank originated a large number of loans in 2021

where GAR information was not available. PPP loans comprised a significant portion of these loans since PPP applicants were not required to provide revenue information.

The large number of small business loans in the “Revenue Not Available” category distorts the results. Only 27, or 13.1 percent, of the bank’s small business loans in 2021 included revenue information. Of the 27 small business loans with revenue information, RTC originated 74.1 percent to businesses with GARs of \$1.0 million or less, which exceeds 2021 aggregate performance and is more consistent with the bank’s 2022 percentage. Furthermore, market share reports for 2021, showed RTC as the 2nd ranked state-chartered community bank lending to businesses with GARs of \$1.0 million or less, outperformed only by Cape Cod Five Cents Savings Bank.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Non-MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	88.8	34.9	20	9.7	3,772	16.9
2022	91.3	-	24	54.5	2,177	28.0
>\$1,000,000						
2021	4.3	-	7	3.4	2,141	9.6
2022	3.2	-	19	43.2	4,881	62.8
Revenue Not Available						
2021	6.9	-	179	86.9	16,386	73.5
2022	5.6	-	1	2.3	717	9.2
Totals						
2021	100.0	100.0	206	100.0	22,299	100.0
2022	100.0	-	44	100.0	7,775	100.0
<i>Source: 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "-" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

As borrower revenue data is unavailable for PPP loans, examiners evaluated PPP loans using loan size as a proxy. A majority of PPP loans originated in 2021 had loan sizes of less than \$100,000. Furthermore, 90.4 percent of PPP loans had loan sizes below \$250,000. The high percentage of relatively small loan amounts supports that the helped to serve the needs of small businesses in the assessment area. Refer to the following table for details.

Distribution of PPP Loans By Loan Size (2021)				
Assessment Area: Non-MSA				
Loan Size	#	%	\$(000s)	%
< \$100,000	127	71.3	3,953	24.4
\$100,000 - \$249,999	34	19.1	5,294	32.7
\$250,000 - \$1,000,000	17	9.6	6,966	42.9
Total	178	100.0	16,213	100.0
<i>Source: 1/1/2021 – 12/31/2021 Bank Data</i>				
<i>Due to rounding, totals may not equal 100.0</i>				

Community Development Loans

RTC made an adequate level of community development loans in the Non-MSA assessment area. During the evaluation period, the bank originated four loans for approximately \$7.4 million in the Non-MSA assessment area. The level of activity is an increase compared to the prior evaluation period, during which the bank did not originate any community development loans in this assessment area. The following table illustrates the bank’s community development loans in the Non-MSA assessment area by community development purpose and year.

Community Development Lending										
Assessment Area: Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	0	0	0	0	1	1,400	1	1,400
2021	0	0	0	0	2	3,060	0	0	2	3,060
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	1	2,920	1	2,920
Total	0	0	0	0	2	3,060	2	4,320	4	7,380
<i>Source: Bank Data</i>										

The following are examples of community development loans made during the evaluation period.

- In 2021, the bank originated a \$1.7 million SBA 504 loan to finance the construction of a commercial retail property in Oak Bluffs. The SBA 504 loan program offers small business financing, while promoting business growth and job creation. The loan promoted economic development within the Non-MSA assessment area.
- In 2023, the bank originated a \$2.9 million loan to finance the acquisition of a mixed-use retail and residential property in Nantucket. The property is located in an underserved middle-income census tract and helps to revitalize and stabilize the area.

INVESTMENT TEST

RTC demonstrated adequate performance under the Investment Test in the Non-MSA assessment area. The bank’s adequate performance under the Investment and Grant Activity criterion, adequate responsiveness to credit and community development needs, and occasional use of innovative and complex investments support this conclusion. The following sections discuss the bank’s performance under each criterion.

Investment and Grant Activity

RTC has an adequate level of qualified investments, made up solely of community development grants and donations. During the evaluation period, the bank made 61 CRA-qualified grants and donations totaling approximately \$328,000 in the Non-MSA assessment area. This total represents 0.1 percent of the bank’s total CRA investments. This is an improvement in both number and dollar amount from the previous evaluation, at which time RTC made 12 donations totaling \$63,000. The majority of grants and donations supported community service organizations benefiting low- and moderate-income individuals. The following table illustrates the bank’s grants and donations in the Non-MSA assessment area by community development purpose.

Qualified Grants and Donations Assessment Area: Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	10	95	38	177	11	51	2	5	61	328
Total	10	95	38	177	11	51	2	5	61	328

Source: Bank Data

Below are notable examples of CRA-qualified grants and donations in the Non-MSA assessment area.

- **Island Housing Trust Corporation** – During the evaluation period, the Foundation granted a total of \$50,000 to assist in the construction of Kuehn’s Way in Martha’s Vineyard. The project will provide 20 affordable rental units for year-round low- and moderate-income residents. Affordable housing is a key need within island communities. The contribution supports affordable housing.
- **Vineyard House, Inc.** – Located in Martha’s Vineyard, Vineyard House provides housing for men and women in substance abuse recovery. Residents pay an affordable rent, are

expected to work, and contribute to the community. Eligibility is based on Mass Health medical insurance, which primarily benefits lower income individuals. During the evaluation period, the bank donated \$5,000 to the organization to support affordable housing within the Non-MSA.

- **Martha's Vineyard Community Services. Inc. (MVCS)** – During the evaluation period, the Foundation made multiple contributions to MVCS as part of a three-year \$50,000 grant to expand its facilities to include an Island Counseling Center, Disability Services, Emergency Services, and an Urgent Care Center. MVCS provides a broad range of services to low- and moderate-income individuals, including affordable childcare, employment training for disabled individuals, substance use disorder and addiction services, and senior services. The Foundation's contribution supports community development services to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

The bank exhibits adequate responsiveness to credit and community development needs. A majority of qualified grants and donations benefit organizations that support low- and moderate-income individuals through a range of community services. Additionally, some of the bank's donations supported affordable housing needs, which the community contact identified as a critical need.

Community Development Initiatives

The bank occasionally uses innovative or complex investments to support community development initiatives in this assessment area. During the evaluation period, the bank's qualified investments were all in the form of donations and grants, including donations made through the CITC. Participation in the CITC program is a new initiative for RTC and is an example of investments that requires collaboration among multiple partners. In 2022, the bank allocated a CITC investment to Housing Nantucket. The proceeds of the investment support Housing Nantucket in carrying out its mission to preserve and create affordable housing.

SERVICE TEST

RTC demonstrated adequate performance under the Service Test in the Non-MSA assessment area. The bank's accessibility of delivery systems in moderate-income census tracts, as well as adequate performance under the Reasonableness of Business Hours and Services and Community Development Services criteria supports this conclusion. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's assessment area. The following table shows RTC's branch and ATM distribution by census tract income level in the Non-MSA assessment area, along with the population distribution by census tract income level as a

comparator. Of the seven branches and ATMs in this assessment area, one branch and one ATM are located in a moderate-income tract. The distribution of branches in moderate-income tracts slightly trails the demographic comparators. In addition, three RTC branches and ATMs are located in distressed and/or underserved middle-income tracts.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: Non-MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	16.7	5,339	15.3	1	14.3	1	14.3
Middle	8	66.7	29,516	84.7	6	85.7	6	85.7
Upper	0	0.0	0	0.0	0	0.0	0	0.0
NA	2	16.7	0	0.0	0	0.0	0	0.0
Total	12	100.0	34,855	100.0	7	100.0	7	100.0

Source: 2020 ACS Data; Bank Data

Changes in Branch Locations

This criterion is not applicable because RTC did not open or close any branches in the Non-MSA assessment area during the evaluation period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies, or individuals in the assessment area. No material differences exist among products or services offered within branches.

Branch hours are generally consistent across branches. Both branches in Martha’s Vineyard are open from 9:00 A.M. to 4:00 P.M. Monday through Friday, and 8:30 A.M. to 12:00 P.M. on Saturday. The five branches on Nantucket have similar hours, opening at 8:30 A.M. and closing between 4:00 P.M and 5:00 P.M. Monday through Friday. All Nantucket branches offer Saturday hours from 8:30 A.M. to 12:00 P.M. or 12:30 P.M. There are no branches with Sunday hours in this assessment area.

Community Development Services

RTC provides an adequate level of community development services in the assessment area. The following table reflects the hours of community development services provided by bank employees during the evaluation period.

Community Development Services					
Assessment Area: Non-MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	73	22	90	0	185
2021	28	30	120	0	178
2022	15	105	112	2	234
YTD 2023	35	113	81	21	250
Total	151	270	403	23	847
<i>Source: Bank Data</i>					

The following are notable examples of community development services in the assessment area.

- **Island Housing Trust Corporation** – The Island Housing Trust is a non-profit Community Land Trust organization that supports low- and moderate-income individuals and families on Martha’s Vineyard by creating and sustaining affordable rental and owner-occupied housing. A Senior Vice President for the bank serves on the organization’s Board and the participation supports an affordable housing.
- **Cape and Islands United Way** – The Cape and Islands United Way offers resources for those in need from Barnstable, Dukes, and Nantucket Counties. Resources include housing stability, access to career and professional development, and health and nutrition. A Portfolio Manager serves on the Housing Committee to address housing needs, homelessness, and affordable housing issues in Dukes and Nantucket counties. This participation supports affordable housing initiatives in the Non-MSA assessment area.
- **Martha’s Vineyard Boys and Girls Club** – The Martha’s Vineyard Boys and Girls Club provides social services to youth on the island, especially those in need. Food insecurity is prevalent throughout the club and the community. The Martha’s Vineyard Boys and Girls Club started a Food Pantry in November 2022 to increase access to nutritious food, toiletries, and household items. A Senior Vice President serves on the Board as Treasurer. As Treasurer, the Senior Vice President provides accounting and funding expertise to the organization and supports community development services to low- and moderate-income individuals.

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 2 CRA-related complaints pertaining to branch accessibility in a low- and moderate-income area. One of the complaints specifically had an issue regarding the hours of a particular branch. RTC acknowledged both complaints and responded appropriately. The bank also responded by extending banking hours of that branch.

Examiners conducted the fair lending review in accordance with the FFIEC Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not note any evidence of disparate treatment.

MINORITY APPLICATION FLOW

Division of Banks examiners reviewed the bank's 2021 and 2022 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment area reflected the assessment area's demographics.

According to the 2020 ACS Census Data, the bank's assessment area contained a total population of 6,201,729 individuals of which 34.3 percent are minorities. The minority and ethnic population represented is 12.0 percent Hispanic or Latino, 7.1 percent Black/African American, 7.8 percent Asian, 0.3 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, and 7.0 percent other. Examiners compared the bank application activity with that of the 2021 and 2022 aggregate performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	2021		2021 Aggregate Data	2022		2022 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	33	0.4	0.2	24	0.3	0.3
Asian	460	5.4	7.1	382	5.0	7.1
Black/ African American	403	4.7	4.6	427	5.6	5.8
Hawaiian/Pacific Islander	16	0.2	0.1	17	0.2	0.1
2 or more Minority.0	10	0.1	0.1	9	0.1	0.1
Joint Race (White/Minority)	135	1.6	1.6	132	1.7	1.8
Total Racial Minority	1,057	12.3	13.7	991	13.1	15.2
White	6,416	75.0	60.6	5,563	73.6	60.4
Race Not Available	1,076	12.7	25.7	1,003	13.3	24.4
Total	8,549	100.0	100.0	7,557	100.0	100.0
ETHNICITY						
Hispanic or Latino	493	5.8	5.7	500	6.6	7.0
Joint (Hisp/Lat /Not Hisp/Lat)	111	1.3	1.2	127	1.7	1.4
Total Ethnic Minority	604	7.1	6.9	627	8.3	8.4
Not Hispanic or Latino	6,775	79.2	67.6	5,915	78.3	67.8
Ethnicity Not Available	1,170	13.7	25.5	1,015	13.4	23.8
Total	8,549	100.0	100.0	7,557	100.0	100.0
<i>Source: HMDA Aggregate Data (2021 and 2022), HMDA LAR Data (2021 and 2022)</i>						

In 2021, the bank received 8,549 home mortgage loan applications from within its assessment area. Of these applications, the bank received 1,057, or 12.3 percent, from racial minority applicants, of which 573, or 54.2 percent, resulted in originations. The aggregate received 13.7 percent of its applications from minority applicants, of which it originated 64.0 percent. For the same period, the bank also received 604 applications, or 7.1 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 339 or 56.1 percent, compared with an aggregate application rate of 6.9 percent with a 61.0 percent origination rate.

In 2022, the overall application volume decreased, primarily due to market conditions. However, the bank maintained a similar application flow. The bank received 7,557 home mortgage loan applications from within its assessment area. Of these applications, the bank received 991, or 13.1 percent, from racial minority applicants, of which 447, or 45.0 percent, resulted in originations. The aggregate received 15.2 percent of its applications from minority consumers, of which it originated 56.0 percent. For the same period, the bank also received 627 applications, or 8.3 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 292, or 47.0 percent, compared with an aggregate application rate of 8.4 percent with a 56.0 percent origination rate.

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

The bank's minority application flow shows improvement from the previous evaluation period. This is consistent with the bank's increased outreach initiatives. An example of outreach is the

bank's creation of RTC's Racial Equity Grant program. The program supports local non-profits in advancing diversity, equity, and inclusion (DE&I). The program offers one-time grants up to \$15,000 to support internal organizational DE&I projects or external community-focused DE&I projects. To date, there are 21 local non-profit recipients, many of which operate in high-minority communities or support clients from various demographics.

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

Rockland Trust Company	
Scope of Examination: Full scope reviews were performed on the following assessment areas:	
<ul style="list-style-type: none"> • Boston-Worcester-Providence CSA Assessment Area <ul style="list-style-type: none"> • Barnstable Town, MA MSA; Boston-Cambridge-Newton, MA-NH MSA; Providence-Warwick, RI-MA MSA; Worcester, MA-CT MSA • Massachusetts Non-MSA Assessment Area 	
Time Period Reviewed:	03/16/2020 to 08/21/2023
Products Reviewed: (list loan categories reviewed alphabetically): Home Mortgage Loans: 01/01/2020 to 12/31/2022 Small Business Loans: 01/01/2020 to 12/31/2022	

List of Assessment Areas and Type of Evaluation			
Assessment Area	Type of Evaluation	Branches Visited	Other Information
Boston-Worcester-Providence CSA	Full scope	One	None
Massachusetts Non-MSA	Full scope	None	None

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. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank 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 bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank'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 bank's assessment area(s) or a broader statewide or regional area including the bank'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 bank'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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.