

# **PUBLIC DISCLOSURE**

November 6, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Cape Cod Five Cents Savings Bank  
Certificate Number: 23287

1500 Iyannough Road  
Hyannis, Massachusetts 02601

Division of Banks  
1000 Washington Street, 10<sup>th</sup> Floor  
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Federal Deposit Insurance Corporation  
350 Fifth Avenue, Suite 1200  
New York, New York 10118

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

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	3
DESCRIPTION OF ASSESSMENT AREAS.....	4
SCOPE OF EVALUATION.....	5
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	22
BARNSTABLE TOWN, MA MSA ASSESSMENT AREA – Full-Scope Review .....	22
NONMETROPOLITAN STATEWIDE AREA – Full-Scope Review .....	38
BOSTON, MA MD ASSESSMENT AREA – Full-Scope Review .....	53
APPENDICES .....	66
DIVISION OF BANKS FAIR LENDING POLICIES AND PROCEDURES .....	66
MINORITY APPLICATION FLOW .....	66
LARGE BANK PERFORMANCE CRITERIA .....	68
SCOPE OF EVALUATION .....	70
GLOSSARY .....	71

## 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	x
High Satisfactory			
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 loans were made in the institution’s assessment area.
- The geographic distribution of loan reflects excellent penetration throughout the assessment area.
- The distribution of borrowers reflects excellent penetration among retail customer of different income levels and business customers of different sizes.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The institution is a leader in making community development loans.

**The Investment Test is rated Outstanding.**

- The institution 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 institution exhibits excellent responsiveness to credit and community economic development needs.
- The institution makes significant use of innovative and/or complex investments to support community development initiatives.

**The Service Test is rated Outstanding.**

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

## DESCRIPTION OF INSTITUTION

### **Background**

The Cape Cod Five Cents Savings Bank (CC5) is a state-chartered mutual savings bank headquartered in Hyannis, Massachusetts (MA). CC5 is wholly owned by The Cape Cod Five Mutual Holding Company. The bank owns three subsidiaries, none of which engages in retail banking activities.

The Federal Deposit Insurance Corporation (FDIC) and the Division of Banks (Division) last evaluated the bank's CRA performance on July 13, 2020 using the Federal Financial Institution Examination Council's (FFIEC) Interagency Large Institution Examination Procedures. The bank received an overall rating of Outstanding with ratings of Outstanding for the Lending Test, Investment Test, and Service Test.

### **Operations**

CC5's corporate headquarters, which does not offer any banking services, is located in Hyannis, Massachusetts. In addition, the bank operates 22 full-service branches and one Lending and Wealth Management office. Each full-service branch, except the Plymouth branch, has an automated teller machine (ATM), and the bank maintains three stand-alone full-service ATMs. Since the prior evaluation, the bank closed three Lending and Wealth Management offices in the towns of Marion, Provincetown, and Tisbury, and two stand-alone ATMs in Barnstable Village and Nantucket. The bank was not involved in any merger or acquisition activity.

CC5 offers home mortgage, consumer, and commercial loans with a continued primary focus on residential lending. 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, the bank provides alternative banking services including internet and mobile banking, ATMs, and 24/7 telephone banking services. The bank also offers investment advisory and trust services for consumers and businesses.

### **Ability and Capacity**

As of September 30, 2023, the bank had total assets of approximately \$5.5 billion and deposits of approximately \$4.4 billion. The bank's loans totaled approximately \$4.7 billion, representing 85.1 percent of total assets. Total assets increased approximately 47.7 percent since the prior evaluation. Growth is primarily attributed to total loan growth, which increased 49.1 percent since the prior evaluation.

Residential loans, which include 1-4 family and multifamily properties, comprise 81.3 percent of the loan portfolio, and residential lending was the primary driver of the \$1.5 billion or 49.1 percent total loan growth. Commercial loans, which include nonfarm nonresidential loans and commercial

and industrial loans, account for the second largest portion of the bank’s portfolio at 14.5 percent. The following table illustrates the bank’s loan portfolio distribution.

<b>Loan Portfolio Distribution as of 9/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	159,215	3.4
Secured by Farmland	603	0.0
Secured by 1-4 Family Residential Properties	3,749,591	80.0
Secured by Multifamily (5 or more) Residential Properties	61,370	1.3
Secured by Nonfarm Nonresidential Properties	594,786	12.7
<b>Total Real Estate Loans</b>	<b>4,565,565</b>	<b>97.4</b>
Commercial and Industrial Loans	84,701	1.8
Agricultural Production and Other Loans to Farmers	3,951	0.1
Consumer Loans	51,895	1.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	7,312	0.2
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	(24,986)	(0.5)
<b>Total Loans</b>	<b>4,688,438</b>	<b>100.0</b>
<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 area.

## **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. CC5 designated three contiguous assessment areas all located within Massachusetts. Specifically, the bank delineated Barnstable County, Dukes County, Nantucket County, and portions of Plymouth County in the following Metropolitan Statistical Area (MSA), Metropolitan Division (MD), and Non-MSA as its assessment areas<sup>1</sup>.

- Barnstable Town, MA MSA (includes Barnstable County)
- Boston, MA MD (includes the towns of Plymouth and Wareham in Plymouth County)
- Massachusetts Non-MSA (includes Dukes and Nantucket counties)

CC5 has not changed its assessment area delineations since the prior evaluation. Please refer to the full-scope assessment area evaluations for more detail on each assessment area’s demographics.

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<sup>1</sup> This document collectively refers to these areas as the combined assessment areas.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated July 13, 2020, to the current evaluation dated November 6, 2023. Examiners used the Interagency Large Institution CRA Examination Procedures to evaluate CC5’s performance. These procedures include the Lending Test, Investment Test, and Service Test (see Appendices for a complete description).

Examiners conducted full-scope reviews of the Barnstable Town, MA MSA (Barnstable Town MSA) assessment area, the Boston, MA MD (Boston MD) assessment area, and the Non-MSA, MA (Non-MSA) assessment area. The bank is headquartered in the Barnstable Town MSA, and the majority of loans, deposits, and branches are located in the Barnstable Town MSA and Non-MSA assessment areas; therefore, those assessment areas received full-scope reviews. The Boston MD received a limited-scope review at the prior two evaluations; therefore, examiners conducted a full-scope review at the current evaluation.

The bank’s performance in the Barnstable Town MSA assessment area carried the greatest weight while the Non-MSA and Boston MD assessment areas carried less weight when determining the overall rating. A substantial majority of the bank’s loan originations, branches, and deposits are in the Barnstable Town MSA assessment area; the bank made fewer loans and has significantly fewer branches and deposits in the Non-MSA and Boston MD assessment areas. The following table illustrates the distribution of home mortgage and small business loans, deposits, and branches in each assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	<b>\$(000s)</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>
Barnstable Town, MA MSA	3,263,686	71.5	3,714,599	84.8	16	72.7
Non-MSA	1,094,322	24.0	510,334	11.7	4	18.2
Boston, MA MD	203,505	4.5	151,398	3.5	2	9.1
<b>Total</b>	<b>4,561,513</b>	<b>100.0</b>	<b>4,376,331</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>

*Source: 2020, 2021, and 2022 HMDA and CRA Data; FDIC Summary of Deposits (06/30/2023)*

### 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, which 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 Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2020, 2021, and 2022 to evaluate the bank's performance. The bank reported 4,051 loans totaling \$1.5 billion in 2020, 3,929 loans totaling \$1.6 billion in 2021, and 3,618 loans totaling \$1.5 billion in 2022. Examiners compared the bank's 2020, 2021, and 2022 home mortgage performance to aggregate data for each year under the Geographic Distribution and Borrower Profile criteria. Examiners also compared 2020 and 2021 home mortgage performance to the 2015 American Community Survey (ACS) demographic data and compared 2022 home mortgage performance to the 2020 United States (U.S.) Census demographic data.

Examiners analyzed all small business loans reported on the bank's CRA loan registers for 2020, 2021, and 2022. The bank reported 2,433 loans totaling \$214.5 million in 2020, 1,496 loans totaling \$157.8 million in 2021, and 358 loans totaling \$71.7 million in 2022. Examiners compared the bank's 2020 and 2021 small business performance to aggregate data for 2020 and 2021 under the Geographic Distribution and Borrower Profile criteria. Aggregate data was not yet available for 2022. Examiners also compared 2020, 2021, and 2022 small business performance to D&B business demographic data.

For the Lending Test, examiners analyzed the number and dollar volume of home mortgage and small business loans originated during 2020, 2021, and 2022. The analysis weighed the number of originations more heavily than the dollar volume, as the number of loans more reliably indicates the number of individuals and businesses served. Although the Assessment Area Concentration table presents 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. Since the bank originated a larger volume of home mortgage loans during the evaluation period than small business loans, examiners gave greater weight to home mortgage when arriving at the overall conclusions and ratings.

Furthermore, examiners 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 CRA 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 September 30, 2023 Report of Income and Condition (Call Report).



## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

CC5's overall Lending Test performance is rated Outstanding. Conclusions regarding the bank's overall performance are consistent with the conclusions for the Barnstable Town MSA and Non-MSA assessment areas. Performance in the Boston MD assessment area was below the overall performance. The bank's performance in the Barnstable Town MSA 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 areas. 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, CC5 originated or purchased 11,598 home mortgage loans totaling approximately \$4.6 billion and 4,287 small business loans totaling approximately \$444.0 million. Of this total, 10,575 home mortgage loans totaling approximately \$4.1 billion and 4,039 small business loans totaling approximately \$411.5 million were inside the assessment areas.

Home mortgage lending, which remained relatively stable during the evaluation period, increased 39.9 percent by number and 57.4 percent by volume since the prior evaluation. The increase was primarily due to the high housing demand and low interest rates during 2020 and 2021 and the bank's expanded branch network. Small business lending, which fluctuated during the evaluation period, increased significantly during 2020 and 2021 due to the bank's participation in the SBA's Paycheck Protection Program (PPP). After the SBA discontinued the PPP in May 2021, the bank's small business lending volume returned to levels comparable to the prior evaluation period.

For the combined assessment areas, CC5 was the top ranked home mortgage lender in 2020, 2021, and 2022. For small business lending, CC5 was among the top five percent of small business lenders and was the second highest ranked state-chartered institution in 2020 and 2021, outperformed only by Rockland Trust Company, a much larger institution with total assets of approximately \$19.4 billion.

Please refer to the Description of Assessment Area sections within each individual assessment area for discussions of the bank's market share rankings for home mortgage and small business lending.

#### Assessment Area Concentration

CC5 made a substantial majority of its loans inside the combined assessment areas. The following table illustrates the bank's home mortgage, small business, and small farm lending activity inside and outside of the combined assessment areas by product type.

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	3,764	92.9	287	7.1	4,051	1,363,839	92.4	111,649	7.6	1,475,488
2021	3,596	91.5	333	8.5	3,929	1,456,795	90.3	157,388	9.8	1,614,184
2022	3,215	88.9	403	11.1	3,618	1,322,249	85.6	222,363	14.4	1,544,612
<b>Subtotal</b>	<b>10,575</b>	<b>91.2</b>	<b>1,023</b>	<b>8.8</b>	<b>11,598</b>	<b>4,142,883</b>	<b>89.4</b>	<b>491,400</b>	<b>10.6</b>	<b>4,634,284</b>
Small Business										
2020	2,304	94.7	129	5.3	2,433	201,810	94.1	12,715	5.9	214,525
2021	1,403	93.8	93	6.2	1,496	146,020	92.5	11,762	7.5	157,782
2022	332	92.7	26	7.3	358	63,676	88.8	8,035	11.2	71,711
<b>Subtotal</b>	<b>4,039</b>	<b>94.2</b>	<b>248</b>	<b>5.8</b>	<b>4,287</b>	<b>411,506</b>	<b>92.7</b>	<b>32,512</b>	<b>7.3</b>	<b>444,018</b>
Small Farm										
2020	53	96.4	2	3.6	55	2,031	92.7	160	7.3	2,191
2021	58	98.3	1	1.7	59	2,632	97.8	59	2.2	2,691
2022	16	100.0	0	0.0	16	2,460	100.0	0	0.0	2,460
<b>Subtotal</b>	<b>127</b>	<b>97.7</b>	<b>3</b>	<b>2.3</b>	<b>130</b>	<b>7,123</b>	<b>97.0</b>	<b>219</b>	<b>3.0</b>	<b>7,342</b>
<b>Total</b>	<b>14,741</b>	<b>92.0</b>	<b>1,274</b>	<b>8.0</b>	<b>16,015</b>	<b>4,561,512</b>	<b>89.7</b>	<b>524,131</b>	<b>10.3</b>	<b>5,085,644</b>
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects excellent penetration throughout the combined assessment areas. Consistent performance in the Barnstable Town MSA and Non-MSA assessment areas primarily supports this conclusion. Performance was inconsistent in the Boston MD assessment area, but examiners placed the greatest weight on the Barnstable Town MSA. The individual assessment area sections include detailed analysis and comparisons to demographic and aggregate data.

### **Borrower Profile**

The distribution of borrowers reflects excellent penetration among retail customers of different income levels and businesses customers of different sizes throughout the combined assessment areas. Consistent performance in the Barnstable Town MSA and Non-MSA assessment areas primarily supports this conclusion. Performance was inconsistent in the Boston MD assessment area, but examiners placed the greatest weight on the Barnstable Town MSA. The individual assessment area sections include detailed analysis and comparisons to demographic and aggregate data.

### **Innovative or Flexible Lending Practices**

CC5 makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs. During the evaluation period, the bank originated 5,667 innovative and/or flexible loans totaling approximately \$567.5 million that support low- and moderate-income individuals and small businesses. Of these innovative and/or flexible loans, the bank extended approximately \$395.3 million through residential, \$131.5 through small business, and \$40.6 million through consumer lending programs.

CC5's innovative and/or flexible lending practices increased significantly since the prior evaluation period, during which the bank originated 4,985 loans totaling approximately \$473.1 million. The increase in lending activity was primarily due to the bank's participation in the SBA's Paycheck Protection Program (PPP), which was responsive to business needs during the COVID-19 pandemic. The bank originated 1,493 PPP loans totaling approximately \$118.2 million during the evaluation period. The bank offers each of its innovative and/or flexible lending programs throughout all three assessment areas.

The following table summarizes the bank's innovative and/or flexible residential and consumer lending programs.

<b>Innovative or Flexible Lending Programs - Residential and Consumer</b>										
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023 (YTD)</b>		<b>Totals</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
Community Workforce Housing	117	46,367	124	53,431	166	79,849	85	47,925	492	227,572
Home Equity Solar	1	1,737	101	3,499	78	3,024	12	471	192	8,731
Federal Housing Administration (FHA)	5	1,311	0	0	5	1,957	4	1,364	14	4,632
Buy Cape Cod – Other	29	9,524	27	10,991	53	20,879	12	5,047	121	46,441
Nantucket Affordable Housing	24	14,307	26	26,650	0	0	4	3,129	54	44,086
Mass Housing Loans	22	6,290	24	6,939	10	3,099	1	203	57	16,531
Martha’s Vineyard Affordable Housing	20	9,099	12	6,250	4	2,047	0	0	36	17,396
Accessory Dwelling Unit Program	12	6,495	14	8,579	13	10,971	0	0	39	26,045
Veteran's Administration (VA)	3	1,060	0	0	1	305	0	0	4	1,365
40 Year Fixed Rate	0	0	0	0	2	1,005	1	175	3	1,180
Guaranteed Rural Housing-FHLB	1	217	0	0	0	0	0	0	1	217
Fannie Mae HomeReady	3	606	0	0	0	0	0	0	3	606
Freddie Mac HomeOne	2	488	0	0	0	0	0	0	2	488
<b>Sub-Total Residential Loans</b>	<b>239</b>	<b>97,501</b>	<b>328</b>	<b>116,339</b>	<b>332</b>	<b>123,136</b>	<b>119</b>	<b>58,314</b>	<b>1,018</b>	<b>395,290</b>
Water & Sewer Connection	0	0	0	0	1	13	1	8	2	21
Storm Preparedness	0	0	0	0	7	76	1	11	8	87
Solar Loan Program	0	0	8	180	38	1,040	6	183	52	1,403
Mass Save HEAT Loans	809	9,497	912	11,967	856	11,272	453	6,378	3,030	39,114
<b>Sub-Total Consumer Loans</b>	<b>809</b>	<b>9,497</b>	<b>920</b>	<b>12,147</b>	<b>902</b>	<b>12,401</b>	<b>461</b>	<b>6,580</b>	<b>3,092</b>	<b>40,625</b>
<b>Totals</b>	<b>1,048</b>	<b>106,998</b>	<b>1,248</b>	<b>128,486</b>	<b>1,234</b>	<b>135,537</b>	<b>580</b>	<b>64,894</b>	<b>4,110</b>	<b>435,915</b>
<i>Source: Bank Data</i>										

The following are examples of the bank’s innovative and/or flexible residential and consumer programs.

- **Accessory Dwelling Unit (ADU) Program** – This loan program helps diversify and meet the local housing demand and support housing affordability. CC5 offers ADU home equity and mortgage loans designated to help homeowners to create additional dwelling units. During the evaluation period, the bank originated 39 loans totaling \$26.0 million.
- **Community Workforce Housing Finance Program, Nantucket Affordable Housing Program, and Martha’s Vineyard Affordable Housing Program** – These three programs are each designed to help bridge the gap between low- to moderate-income programs available through MassHousing and other government sponsored programs. The programs offer 89.9 percent financing with no mortgage insurance. During the evaluation period, CC5 originated 582 loans totaling \$289.0 million through these three programs.
- **MassHousing Loans** – MassHousing loan programs include features such as low down payments, competitive interest rates, reduced mortgage insurance premiums, special programs for veterans, and down payment assistance for first-time homebuyers. During the evaluation period, CC5 originated 57 MassHousing loans totaling \$16.5 million.
- **Mass Save HEAT Loans** – The program promotes installation of high efficiency home upgrades such as heating and water heating equipment, insulation, central A/C, and heat pumps. This program offers zero interest financing opportunities for up to \$50,000. During the evaluation period, CC5 originated 3,030 Mass Save HEAT loans, totaling \$39.1 million.

The following table details the bank’s innovative and/or flexible small business lending programs with originations from July 13, 2020 through November 6, 2023.

<b>Innovative or Flexible Lending Programs - Small Business</b>										
<b>Type of Program</b>	<b>2020</b>		<b>2021</b>		<b>2022</b>		<b>2023 (YTD)</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
SBA PPP	121	2,725	1372	115,597	0	0	0	0	1,493	118,322
SBA 7(a)	3	292	15	2,333	22	3,071	2	370	42	6,066
SBA 504	3	957	3	1,270	7	3,704	1	751	14	6,682
MA Capital Access Program (Mass CAP)	1	150	0	0	3	60	4	265	8	475
<b>Total Small Business Loans</b>	<b>128</b>	<b>4,124</b>	<b>1,390</b>	<b>11,9200</b>	<b>32</b>	<b>6,835</b>	<b>7</b>	<b>1,386</b>	<b>1,557</b>	<b>131,545</b>
<i>Source: Bank Data</i>										

The following summarizes the bank’s innovative and/or flexible small business programs:

- **SBA PPP Loan Program** – The bank originated SBA guaranteed PPP loans in 2020 and 2021 during the COVID-19 pandemic. The program was designed to support the basic

operating needs of small businesses, including rent, utilities, and payroll. PPP loans offered below market interest rates, six-month payment deferral, no origination fees, and no collateral requirements. During the evaluation period, the bank originated 1,493 PPP loans totaling \$118.3 million.

- ***SBA 7(a) Loan Program*** – CC5 participated in the SBA 7(a) program, which helps small businesses obtain flexible financing when they may not be eligible for traditional bank financing. The program offers fixed rate, variable rate, and revolving credit products to qualified businesses. During the evaluation period, the bank originated 42 SBA 7(a) loans, totaling \$6.1 million.
- ***SBA 504 Loan Program*** – The SBA 504 provides approved small business with long-term, fixed-rate financing to acquire fixed assets for business expansion or modernization. SBA 504 loans are available through Certified Development Companies (CDCs), which regulate non-profits and promote economic development through business growth and job creation. During the evaluation period, the bank originated 14 SBA 504 loans totaling \$6.7 million.
- ***Massachusetts Capital Access Program (Mass CAP)*** – CC5 participates in the Mass CAP loan program, which helps Massachusetts small businesses with less than \$5.0 million in revenue obtain loans from participating banks. The program leverages cash collateral guarantees from a loan loss reserve fund to enable banks to originate loans they otherwise may not be able to grant. Business owners typically utilize the funds for working capital lines of credit, to purchase equipment, to cover start-up costs, or for real estate acquisitions. During the evaluation period, the bank originated eight Mass CAP loans totaling \$475,000.

### **Community Development Loans**

CC5 is a leader in making community development loans. The bank originated 152 community development loans totaling approximately \$90.8 million during the evaluation period, many of which directly addressed community development needs such as affordable housing, community services for low- and moderate-income individuals, and small business credit needs. This level of activity represents 1.7 percent of average total assets and 2.0 percent of average total loans. Excellent community development lending at the institution-wide, Barnstable Town MSA, and Non-MSA levels support the overall conclusion. Bank performance in the Boston MD was lower than the overall performance for this criterion.

As examiners determined the bank met the overall needs of the combined assessment areas, examiners also considered community development loans made outside the combined assessment areas, but within the broader statewide or regional area. Of the 152 community development loans, five loans totaling \$38.4 million benefitted a broader statewide area. The following table illustrates the bank's community development loans by year and purpose.

<b>Community Development Lending Assessment Area: Combined</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020	1	100	1	500	4	6,131	1	750	7	7,481
2021	6	1,795	13	5,113	97	19,569	0	0	116	26,477
2022	11	10,754	6	4,513	4	2,330	0	0	21	17,597
2023 (YTD)	3	1,670	2	116	2	17,489	1	20,000	8	39,275
<b>Total</b>	<b>21</b>	<b>14,319</b>	<b>22</b>	<b>10,242</b>	<b>107</b>	<b>45,519</b>	<b>2</b>	<b>20,750</b>	<b>152</b>	<b>90,830</b>

*Source: Bank Data*

The following table illustrates the bank’s community development lending by assessment area and purpose. Please refer to the individual assessment area sections for examples of community development loans and the bank’s responsiveness to community development lending opportunities within each area.

<b>Community Development Lending Assessment Area: Combined</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Barnstable Town MSA	18	11,809	19	7,936	77	22,949	1	750	115	43,444
Non-MSA	2	2,360	1	1,000	27	5,341	0	0	30	8,701
Boston MD	1	150	1	106	0	0	0	0	2	256
Statewide Activities	0	0	1	1,200	3	17,229	1	20,000	5	38,429
<b>Total</b>	<b>21</b>	<b>14,319</b>	<b>22</b>	<b>10,242</b>	<b>107</b>	<b>45,519</b>	<b>2</b>	<b>21,750</b>	<b>152</b>	<b>90,830</b>

*Source: Bank Data*

The following are examples of community development loans that benefitted a broader statewide area that includes the bank’s assessment area:

- In 2022, the bank participated \$20.0 million in a \$93.4 million loan to construct a six-story, 320-unit, multifamily apartment building in a low-income census tract located in Lynn, Massachusetts. The subject project is also located within an area designated as an Opportunity Zone (OZ) by the state and is part of the city’s Revised Waterfront Master Plan to revitalize a large parcel of land located in a low-income geography that is currently severely underutilized. The loan promoted the revitalization and stabilization of a low-income geography.
- In 2023, the bank participated \$15.9 million in a \$31.9 million loan to finance the construction of a 194,000 square foot cold storage facility in an industrial park located in Fall River, Massachusetts bordering a low-income census tract. The new facility will create 41 total new jobs and ultimately support job creation and retention for low- and moderate-

income individuals. The loan promoted economic development by financing a small business that meets the size eligibility requirements of the SBA and supporting permanent job creation and retention.

## INVESTMENT TEST

CC5's overall Investment Test performance is rated Outstanding. Conclusions regarding the bank's overall performance are consistent with the conclusions for the Barnstable Town MSA and Boston MD assessment areas. Performance in the Non-MSA assessment areas was below overall performance. The bank's performance in the Barnstable Town MSA contributed the most weight to overall conclusions under the Investment Test.

The following sections discuss the bank's overall performance in the combined assessment areas. Separate presentations for the individual assessment areas are included in later sections.

### Investment and Grant Activity

CC5 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 and its charitable foundation made 557 qualified investments totaling approximately \$20.1 million during the evaluation period. The bank's investments increased 16.2 percent from the prior evaluation period, during which the bank made 434 qualified investments totaling approximately \$17.3 million. This level of activity represents 0.4 percent of average total assets and 4.7 percent of average total securities.

The following tables illustrate the bank's qualified investments by year, purpose, and assessment area.

Qualified Investments Assessment Area: Combined										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	6,141	2	117	0	0	0	0	7	6,258
2020	0	0	0	0	0	0	0	0	0	0
2021	2	5,255	0	0	0	0	0	0	2	5,255
2022	0	0	0	0	0	0	0	0	0	0
2023 (YTD)	3	6,422	0	0	0	0	0	0	3	6,422
<b>Subtotal</b>	<b>10</b>	<b>17,818</b>	<b>2</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>17,935</b>
Qualified Grants & Donations	85	564	411	1,369	27	108	22	142	545	2,183
<b>Total</b>	<b>95</b>	<b>18,382</b>	<b>413</b>	<b>1,486</b>	<b>27</b>	<b>108</b>	<b>22</b>	<b>142</b>	<b>557</b>	<b>20,118</b>
<i>Source: Bank Data</i>										



Qualified Investments Assessment Area: Combined										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Barnstable Town MSA	48	6,622	285	903	23	103	7	29	363	7,657
Non-MSA	17	97	32	175	0	0	11	82	60	354
Boston MD	14	1,332	54	131	0	0	4	31	72	1,494
Statewide Activities	16	10,331	42	277	4	5	0	0	62	10,613
<b>Total</b>	<b>95</b>	<b>18,382</b>	<b>413</b>	<b>1,486</b>	<b>27</b>	<b>108</b>	<b>22</b>	<b>142</b>	<b>557</b>	<b>20,118</b>
<i>Source: Bank Data</i>										

### Equity Investments

The bank maintains 12 investments totaling \$17.9 million, of which five investments totaling approximately \$11.7 million are new, and seven investments with remaining book values totaling approximately \$6.2 million are prior period investments. The following are descriptions of qualified investments that benefitted multiple assessment areas or the broader statewide area that includes the assessment areas.

#### *Prior Period Investments*

- The bank maintains four CRA-targeted mortgage-backed securities (MBS) with a total book value of \$3.7 million as of September 31, 2023. These MBSs are securitized by home mortgage loans originated in the bank's assessment area and in the broader statewide area. The majority of underlying mortgages in each MBS were to low- and moderate-income borrowers and support affordable housing.
- The bank maintains an investment totaling \$3.4 million in a solar farm project in Westport MA, with a current book value of \$84,434. The project benefits the bank's assessment area as well as the broader statewide area. Specifically, the project primarily offsets energy costs for Cape Cod Hospital, a healthcare institution located in Hyannis that is categorized as a High Public Payer Hospital by the Commonwealth of Massachusetts. This designation reflects a hospital primarily receiving revenues from government assistance with low- and moderate-income patients. In addition to benefitting a hospital in the bank's assessment area, the project also offsets energy costs for small businesses in the broader statewide area.

#### *Current Period Investments*

- In 2021, the bank purchased a \$3.5 million Low-Income Housing Tax Credit (LIHTC) for an affordable housing complex outside of the bank's assessment area in Bridgewater. The complex is a former school that was renovated into 57 units of affordable housing for individuals and families earning 30.0 to 60.0 percent of the area median income (AMI). The bank's investment in the LIHTC helped to create affordable housing in the broader statewide area.

- In 2021, the bank purchased a \$1.8 million LIHTC for a new mixed-use affordable housing development outside of the bank's assessment area in Dorchester. The project developed vacant and unimproved land, creating 35 new affordable housing units. Eight units are reserved for extremely low-income households earning 30.0 percent AMI or less and 27 units for households earning 60.0 percent or less AMI. The bank's investment in the LIHTC helped to create affordable housing in the broader statewide area.

#### Qualified Grants and Donations

During the evaluation period, CC5 made 545 qualified grants and donations totaling approximately \$2.2 million. This is similar by dollar amount, but a significant increase by number of donations from the prior evaluation period, during which the bank made 421 qualified donations totaling approximately \$2.2 million. The majority of the bank's donations supported community service and affordable housing organizations that primarily benefit low- and moderate-income individuals and families.

- ***Housing Assistance Corporation*** – This non-profit affordable housing organization supports more than 6,000 low- and moderate-income households across Cape Cod, Martha's Vineyard, and Nantucket annually. The organization provides homeless prevention services, Section 8 vouchers, financial literacy counseling, foreclosure prevention counseling, and other services. The organization also maintains affordable rental housing units and works to develop additional affordable homes and rental units. The bank and its charitable foundation made multiple grants and donations during the evaluation period to support the organization's homeless prevention services and affordable housing programs. Because of this support, the bank and its foundation helped to expand access to affordable housing throughout the assessment area for low- and moderate-income families and individuals.
- ***Education Mini-Grant Program*** – The bank's charitable foundation offers an annual Education Mini-Grant Program. This program is open to public school teachers throughout Cape Cod, Martha's Vineyard, Nantucket, and Plymouth County. Teachers apply for grants of up to \$1,000 to support enrichment opportunities for students, specialized equipment for students in need, classroom improvements, and more. Grants typically range from \$250 - \$500 with a select number of top grant applicants receiving \$1,000. During the evaluation period, the foundation provided 231 grants totaling \$103,954 to schools with a majority of students who are from low- and moderate-income families. The Education Mini-Grant Program helped expand access to community services to low- and moderate-income children throughout the assessment area.
- ***Food Pantries*** – During the evaluation period, the bank and its charitable foundation donated to a significant number of food pantries in the bank's assessment area. The bank's charitable foundation also ran food pantry and food access campaigns in 2022 and 2023. The bank's support of food pantries helped provide access to vital community services for low- and moderate-income individuals and families throughout the assessment area.

The bank and the charitable foundation supported the following food pantries during the evaluation period: AIDS Support Group of Cape Cod, American Legion Plymouth Post 40,

Cape and Islands Veterans Outreach Center, Inc., Cape Cod Council of Churches, Inc., Cape Cod Military Support Foundation, Inc., Cape Kid Meals, Inc., Cape Organization for Right of the Disabled, Inc., Christ the King Parish, Damien's Place Food Pantry, Elder Services of the Cape and Islands, Falmouth Service Center, Inc., Family Pantry of Cape Cod, Food 4 Kids, Friends of the Bourne Council on Aging, Inc., Health Ministry, Island Food Pantry of Martha's Vineyard, Inc., Lower Cape Outreach Council, Inc., Martha's Vineyard Community Services, Inc., Mustard Seed Kitchen, My Brother's Keeper, Inc., Nantucket Interfaith Council, Nantucket Resource Partnership, Plymouth Area Coalition for the Homeless, Sandwich Food Pantry, Inc., Shave Gives Thanks, Inc., Soup Kitchen in Provincetown, Wareham Area Committee for the Homeless, Yarmouth Food Pantry, Inc., and YMCA Southcoast, Inc.

### **Responsiveness to Credit and Community Development Needs**

The bank exhibits excellent responsiveness to credit and community needs. Investments and donations primarily supported activities that promote affordable housing and community services to low- and moderate-income individuals. As described under the community contact section for the Barnstable Town MSA assessment area, the community contact identified these activities as a primary need. In addition, the bank maintains qualified renewable energy investments that assists affordable housing and community facilities, including in low- and moderate-income coastal geographies. Refer to the individual assessment area sections for detailed discussion of the bank's performance.

### **Community Development Initiatives**

The bank makes significant use of innovative and complex investments to support community development initiatives. The bank invested in tax credits for renewable energy support for Cape Cod Hospital and small businesses. This innovative community development investment assists coastal communities within the bank's assessment areas. The bank also utilizes an Education Mini-Grant Program for low- and moderate-income children throughout the combined assessment area, another innovative method of focusing investments. Refer to the individual assessment area sections for detailed discussion of the bank's performance.

### **SERVICE TEST**

CC5's overall Service Test performance is rated Outstanding. Conclusions regarding the bank's overall performance are consistent with in the conclusions for the Barnstable Town MSA and Non-MSA assessment areas. The bank's performance is inconsistent in the Boston MD assessment area, but examiners placed the greatest weight on its performance in the Barnstable Town MSA assessment area. The following sections discuss the bank's performance under each criterion.

**Accessibility of Delivery Systems**

Delivery systems are readily accessible to all portions of the bank’s combined assessment areas. The bank has 22 full-service branches and 3 stand-alone ATMs within the assessment areas. There are no branches in the one low-income census tract and the distribution of branches in moderate-income tracts slightly trails the demographic comparators. However, CC5’s has branches that are located within 2 to 5 miles from the 14 moderate-income census tracts that do not have a branch, making them readily accessible to low and moderate-income individuals and small businesses in those geographies. In addition, CC5 has two branch offices that are located in underserved and distressed non-metropolitan middle-income geographies.

Further, the bank did not close any branches, but the distribution of branches is different from the previous evaluation period due to the 2020 U.S. Census changes. The Hyannis branch, which was located in a low-income census tract during the prior evaluation period, is now located in a moderate-income census tract. The bank also had five branches located in moderate-income census tracts at the prior evaluation, but four branches are located in moderate-income census tracts based on the 2020 U.S. Census changes.

The accessibility of delivery systems in the Barnstable Town MSA and Non-MSA assessment area, as well as alternative delivery systems that supplement the bank’s branches, support the conclusion. The following table illustrates the branch and ATM distribution by tract income level.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Assessment Area: Combined</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	1	1.2	797	0.2	0	0.0	0	0.0
Moderate	18	21.2	74,106	21.3	4	18.2	4	14.8
Middle	53	62.4	227,207	65.2	17	77.3	21	77.8
Upper	10	11.8	46,261	13.3	1	4.5	2	7.4
NA	3	3.5	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>85</b>	<b>100.0</b>	<b>348,371</b>	<b>100.0</b>	<b>22</b>	<b>0.0</b>	<b>27</b>	<b>0.0</b>

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

In addition to its branches and ATMs, CC5 offers various alternative delivery systems that 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 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, customers and businesses have the added function of depositing checks. Personal and business banking customers can also contact the bank’s Customer Service Center by telephone, email, or secure messaging through online or mobile banking.

### **Changes in Branch Locations**

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. CC5 did not open or close any branches during the evaluation 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 and/or individuals. All retail branches offer the same loan and deposit products and services. The bank maintains similar hours at most of their locations. Full-service branches generally maintain hours from 8:30 AM to 4:30 PM Monday through Thursday, 8:30 AM to 5:00 PM on Friday, and 8:30 AM to 12:00 PM on Saturday.

The bank's Free Checking and BankOn Checking accounts benefit low- and moderate-income and unbanked customers. Specifically, according to the 2021 FDIC National Survey of Unbanked and Underbanked Households, 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 CC5 debit card, and provides access to online and mobile banking.

The CC5 BankOn Checking account is a nationally certified safe and low-cost checking account for consumers who have either never banked with a financial institution or are trying to re-establish a banking relationship. The Cities for Financial Empowerment Fund (CFE) created the BankOn program to meet the needs of consumers who do not have a basic transaction account because they lack the funds to meet a minimum balance requirement, distrust financial institutions, cannot manage high or unpredictable fees, lack identification, or have credit or banking history problems. The BankOn Checking account also has no minimum balance requirement or monthly maintenance fee, includes a CC5 debit card, and provides access to online and mobile banking. Please refer to the individual assessment area sections for information regarding variations in hours.

### **Community Development Services**

CC5 is a leader in providing community development services. The bank offers financial literacy services to low- and moderate-income individuals and provides financial and technical assistance to a significant number of community development organizations. The bank provided 513 instances of financial expertise or technical assistance to community development organizations during the evaluation period. This is a significant increase in the number of instances provided by the bank since the prior evaluation period, during which the bank provided 360 instances of financial expertise or technical assistance.

The following table illustrates the bank's hours of community services provided by bank employees by year and purpose.

<b>Community Development Services Assessment Area: Combined</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2020	47	40	16	11	<b>114</b>
2021	33	55	17	12	<b>117</b>
2022	32	78	17	12	<b>139</b>
2023 (YTD)	28	85	19	11	<b>143</b>
<b>Total</b>	<b>140</b>	<b>258</b>	<b>69</b>	<b>46</b>	<b>513</b>
<i>Source: Bank Data</i>					

The following table illustrates the bank’s hours of community services provided by bank employees by assessment area and purpose.

<b>Community Development Services Assessment Area: Combined</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Barnstable Town MSA	55	186	34	24	<b>299</b>
Non-MSA	45	28	0	13	<b>86</b>
Boston MD	17	20	0	0	<b>37</b>
Statewide	23	24	35	9	<b>91</b>
<b>Total</b>	<b>140</b>	<b>258</b>	<b>69</b>	<b>46</b>	<b>513</b>
<i>Source: Bank Data</i>					

The following are examples of notable community development services that benefitted the combined assessment areas or the broader statewide area:

Employee Involvement

- ***Bay Colony Development Corporation*** – Bay Colony is a certified CDC that supports the creation and preservation of jobs through financing loans at affordable rates to small businesses throughout Massachusetts and other New England states. A Commercial Loan Officer serves on the organization’s Board and Executive Committee. The bank’s involvement with this organization helped provide economic development throughout the bank’s assessment area.
- ***Cape Cod Blue Economy Foundation, Inc.*** – This non-profit organization promotes economic development across Cape Cod, Martha’s Vineyard, Nantucket, and Southern Plymouth County. Objectives of the foundation include providing loans and technical assistance to start-up businesses and small businesses as well as promoting workforce development using the Seaport Economic Council Grant from the Commonwealth of Massachusetts. The grant program stimulates the maritime economy and job growth within

the state. A Commercial Loan Officer serves on the organization's Board of Directions and serves as Treasurer. In 2020, the bank's then co-President served on the organization's Board of Directors as well. The bank's support of this organization helps to revitalize and stabilize low- and moderate-income geographies and underserved non-metropolitan middle-income geographies by revitalizing these communities' maritime industries.

- ***Southeastern Economic Development Corporation (SEED)*** - SEED is a regional non-profit economic development corporation that helps strengthen local economies by supporting entrepreneurs and creating jobs by financing small businesses in Massachusetts and Rhode Island. The organization provides a range of lending options including micro loans to SBA 504 loans. Multiple employees of the bank support SEED through serving on the Board of Directors and the Loan Review Committee. The bank's involvement with this organization helps create and retain low- and moderate-income jobs throughout the bank's combined assessment area.

#### Educational Services and Seminars

- ***First-Time Homebuyer Seminars*** – Throughout the evaluation period, the bank participated in eleven first-time homebuyer seminars with the Housing Assistance Corporation, an affordable housing organization that serves Cape Cod and the Islands. In total, 515 individuals participated in the eleven seminars. The bank's participation in these seminars helped provide access to affordable housing for low- and moderate-income individuals and families across the combined assessment area through the provision of financial literacy.
- ***Massachusetts Interest on Lawyers Trust Accounts (IOLTAs)*** – CC5 participates in the Massachusetts IOLTA Program. This program, mandated by the Supreme Judicial Court, requires lawyers and law firms to establish interest-bearing accounts for client deposits. The interest earned is used to fund law-related public service programs to help low-income clients. The bank remitted approximately \$211,340 in IOLTA funds during the evaluation period.
- ***Online Security Center*** – The bank continues to dedicate a portion of its website to consumer protection. The Security Center provides tools and tips on a variety of topics, including elder financial abuse, cyber security, and identifying financial scams. During the COVID-19 pandemic, the bank established modules for guidance on scams related to the pandemic and the Coronavirus Aid, Relief, and Economic Security (CARES) Act to protect consumers from exploitation. Many of the individuals receiving COVID-19 or CARES Act assistance at that time were low- or moderate-income due to lost employment during the COVID-19 pandemic.

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

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

### **BARNSTABLE TOWN, MA MSA ASSESSMENT AREA – Full-Scope Review**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN BARNSTABLE TOWN MSA ASSESSMENT AREA**

CC5 operates 16 or 72.7 percent of its 22 branch offices in the Barnstable Town MSA assessment area. The Barnstable Town MSA assessment area represents 67.1 percent of the total number of census tracts in the bank's assessment areas, 71.5 percent of the bank's loans, and 84.8 percent of the bank's deposits. The assessment area includes Barnstable County in its entirety.

#### **Economic and Demographic Data**

The Barnstable Town MSA assessment area did not change since the prior evaluation; however, the income designation of census tracts changed due to the updated 2020 U.S. Census data. According to 2015 ACS data, the Barnstable Town MSA assessment area had 57 census tracts with the following income designations:

- 1 low-income tracts,
- 8 moderate-income tract,
- 39 middle-income tracts,
- 8 upper-income tracts, and
- 1 census tract with no income designation.

According to the 2020 U.S. Census, the Barnstable Town MSA assessment area now contains 57 census tracts, with the following income designations:

- 1 low-income census tract,
- 11 moderate-income census tracts,
- 35 middle-income census tracts,
- 9 upper-income census tracts,
- 1 census tract with no income designation.

The single low-income census tract is now located in Bourne. The moderate-income census tracts, which increased in number, are located in the following towns: Barnstable (3), Yarmouth (3), Falmouth (2), Dennis, Mashpee, and Truro. In addition, the assessment area contains six Opportunity Zones (OZs), which are located in Barnstable, Bourne, Dennis, Falmouth,



Provincetown, and Yarmouth. The Opportunity Zone Program provides incentives for investing in certain census tracts to encourage growth in low-income areas. There are no underserved or distressed nonmetropolitan middle-income geographies within the assessment area. The one census tract with no income designation covers a large body of water. The following table illustrates select demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Barnstable Town MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	57	1.8	19.3	61.4	15.8	1.8
Population by Geography	228,996	0.3	19.3	63.0	17.4	0.0
Housing Units by Geography	164,064	0.2	20.7	64.3	14.8	0.0
Owner-Occupied Units by Geography	76,319	0.0	15.9	65.9	18.2	0.0
Occupied Rental Units by Geography	19,540	1.5	28.9	59.7	9.9	0.0
Vacant Units by Geography	68,205	0.1	23.6	63.8	12.4	0.0
Businesses by Geography	29,324	0.2	21.2	62.8	15.8	0.0
Farms by Geography	1,114	0.0	18.9	65.9	15.3	0.0
Family Distribution by Income Level	59,596	19.3	19.3	20.7	40.7	0.0
Household Distribution by Income Level	95,859	23.6	16.1	18.2	42.1	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$99,410	Median Housing Value			\$454,477
			Median Gross Rent			\$1,313
			Families Below Poverty Level			4.3%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data; 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 \$454,477 is above the U.S. average of \$348,079 and slightly above the Massachusetts average of \$449,342.

According to 2022 D&B data, 29,324 non-farm businesses operate in the Barnstable Town MSA assessment area. The following reflects the gross annual revenues (GARs) for these businesses.

- 89.5 percent have \$1.0 million or less,
- 3.1 percent have more than \$1.0 million, and
- 7.4 percent have unknown revenues.

Service industries represent the largest portion of businesses at 36.1 percent; followed by non-classifiable establishments (19.3 percent); retail trade (12.8 percent); construction (10.8 percent);

and finance, insurance, and real estate (9.0 percent). In addition, 65.2 percent of area businesses have four or fewer employees and 92.1 percent operate from a single location.

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

<b>Median Family Income Ranges</b>				
<b>Assessment Area: Barnstable Town MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Barnstable Town, MA MSA Median Family Income (12700)</b>				
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

*Source: FFIEC*

According to the U.S. Bureau of Labor Statistics (BLS), unemployment rates increased significantly during the COVID-19 pandemic. In 2020 and 2021, the Barnstable Town MSA assessment area experienced unemployment rates that exceeded the state and national rates. In 2022, the unemployment rate in the assessment area continued to decline, but also continued to exceed the state and the national averages. The following table illustrates the Barnstable County, Massachusetts, and national average annual unemployment rates during the evaluation period.

<b>Unemployment Rates</b>			
<b>Assessment Area: Barnstable Town MSA</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Barnstable County	10.7	6.3	4.5
Massachusetts	9.4	5.5	3.8
National Average	8.1	5.3	3.7

*Source: Bureau of Labor Statistics*

## **Competition**

The Barnstable Town MSA assessment area is competitive for financial services. According to FDIC Market Share data as of June 30, 2023, 10 financial institutions operate 88 offices in the assessment area. Of these, CC5 ranked 1<sup>st</sup> with 32.5 percent market share, outranking TD Bank and Rockland Trust Company, which achieved 13.1 percent and 11.2 percent market share, respectively.

The bank faces a high level of competition for home mortgage loans from national banks, non-depository mortgage lenders, and other state-chartered community banks. In 2021, 471 lenders reported 21,871 residential mortgage loans within the Barnstable Town MSA assessment area. CC5 ranked first with 13.2 percent market share. In 2022, 406 lenders reported 11,448 residential mortgage loans. CC5 ranked first with 23.0 percent market share.

There is also a high level of competition for small business loans from national banks, regional banks, and other state-chartered community banks in the assessment area. In 2021 (most current year available), 112 lenders originated 9,746 small business loans within the assessment area. CC5 ranked 2<sup>nd</sup> with 10.8 percent market share, and was outperformed only by American Express National Bank, which achieved 20.6 percent 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 the director of a non-profit organization serving the Barnstable Town MSA assessment area. The organization provides community services to low- and moderate-income individuals and supports affordable housing. The representative stated that the area faces several housing issues, including high-costs, limited affordable housing options, and a lack of available rental units. The demand for housing has driven up prices, making it difficult for many residents to afford homes, especially low- and moderate-income residents. The contact further stated that the limited supply of housing is exacerbated by restrictions on new construction due to environmental regulations and zoning laws. The contact also indicated that workforce retention is a challenge due to the unique geography and seasonal nature of industries that do not retain a skilled workforce year-round. According to the contact, the most significant needs for low- and moderate-income families include flexible credit products, financial literacy programs, and financial counseling. The contact indicated that local banks, including CC5, have been responsive to local community needs.

### **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, economic development, financial literacy programs and financial counseling are primary community development needs. Flexible credit products are a primary credit need. The high median home values in the area and poor housing stock demonstrate a need for more affordable housing for low- and moderate-income individuals. Additionally, the small rental market demonstrates a need and opportunity for affordable multifamily housing. Finally, economic development opportunities exist in the form of flexible lending programs and grants for business owners to support job creation and retention.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN BARNSTABLE TOWN MSA ASSESSMENT AREA**

### **LENDING TEST**

CC5 demonstrated excellent performance under the Lending Test in the Barnstable Town MSA assessment area. The bank's excellent performance under the Lending Activity, Geographic

Distribution, Borrower Profile, and Community Development Loans criteria support this conclusion. The following sections detail the bank's performance under each criterion.

### **Lending Activity**

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. In 2020, 2021, and 2022, CC5 originated or purchased 8,566 home mortgage loans totaling approximately \$2.9 billion and 3,068 small business loans totaling approximately \$304.4 million inside the Barnstable Town MSA assessment area. The trends identified for this assessment area are the same as those discussed in the overall Lending Activity section. Home mortgage lending was relatively stable throughout the evaluation period; however, there were fluctuations in small business lending due to the SBA's PPP.

The Competition section includes details regarding the bank's market share rankings for home mortgage and small business lending. CC5 was the top ranked lender for home mortgage lending throughout the evaluation period and ranked second for small business lending. In addition, the bank increased its market share for home mortgage loans from 14.4 percent in 2020 to 23.0 percent in 2022. In 2022, the bank's number and dollar volume of home mortgage loans was more than double that of CBNA, which ranked second.

### **Geographic Distribution**

The geographic distribution of home mortgage and small business loans reflects excellent penetration throughout the Barnstable Town MSA assessment area. The bank's excellent home mortgage and small business lending performance supports this conclusion. Examiners gave greater weight to home mortgage lending than small business lending, since the volume of loans was greater during the evaluation period. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

#### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. In 2021, the bank's percentage of loans in the low-income census tract was similar to both the percentage of owner-occupied units and aggregate performance. In 2022, CC5 did not originate any loans in the low-income census tract. However, as mentioned in the Description of Assessment Area section, with the new 2020 U.S. Census Data release, the income designation of some census tracts changed compared to 2015 ACS. As a result, the single low-income census tract does not have any owner-occupied housing units; consequently, lenders did not originate any home mortgage loans in that tract in 2022.

CC5's performance in moderate-income census tracts exceeded area demographics and was just slightly below the aggregate performance in 2021. In 2022, the bank's performance was similar to area demographics, but below aggregate performance. Despite falling below aggregate percentages, market share reports for 2021 and 2022 showed CC5 as the top ranked lender in both low- and moderate-income geographies. The bank's positive trend in moderate-income tracts in 2022 and market share rankings support the excellent conclusion.

<b>Geographic Distribution of Home Mortgage Loans Assessment Area: Barnstable Town MSA</b>							
<b>Tract Income Level</b>		<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low							
	2021	0.4	0.5	13	0.5	7,870	0.8
	2022	0.0	0.0	0	0.0	0	0.0
Moderate							
	2021	10.8	12.0	339	11.8	131,009	12.8
	2022	15.9	18.1	406	15.5	137,623	14.5
Middle							
	2021	72.0	71.0	2,108	73.1	718,039	70.4
	2022	65.9	63.7	1,789	68.1	646,011	68.1
Upper							
	2021	16.7	16.5	424	14.7	163,349	16.0
	2022	18.2	18.2	432	16.4	165,261	17.4
Not Available							
	2021	0.0	0.0	0	0.0	0	0.0
	2022	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>							
	<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>2,884</b>	<b>100.0</b>	<b>1,020,267</b>	<b>100.0</b>
	<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>2,627</b>	<b>100.0</b>	<b>948,894</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The geographic distribution of small business loans reflects excellent penetration among low- and moderate-income census tracts throughout the assessment area. In 2021, the bank's performance in low-income census tract was above aggregate performance and matched area demographics. Market share reports for 2021 showed that CC5 ranked 2<sup>nd</sup> in small business lending in the low-income census tract with 12.6 percent market share and was the top ranked state-chartered community bank. American Express National Bank was the top lender with 22.5 percent market share. The bank did not originate any small business loans in low-income census tract in 2022. However, the percentage of businesses located in the low-income census tract is very low, limiting the bank's opportunity to lend in that area. Furthermore, there is significant competition for small business loans among national banks and credit card lenders.

The bank's performance in moderate-income census tracts was below demographics and aggregate data in 2021. Despite this, market share reports for 2021 showed that CC5 ranked 2<sup>nd</sup> in small business lending in the low-income census tract with 10.2 percent market share and was the top ranked state-chartered community bank. American Express National Bank ranked first with 24.1

percent market share. The bank’s performance in 2022 was also below area demographics. The level of competition for small business loans in the assessment area and the bank’s market rankings performance supports an excellent conclusion.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Barnstable Town MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	7.4	6.5	78	7.4	14,850	14.1
2022	0.2	--	0	0.0	0	0.0
<b>Moderate</b>						
2021	13.5	13.1	128	12.2	13,559	12.9
2022	21.2	--	52	20.5	9,618	20.1
<b>Middle</b>						
2021	64.7	67.6	760	72.2	70,509	67.0
2022	62.8	--	163	64.2	30,358	63.4
<b>Upper</b>						
2021	14.5	12.9	87	8.3	6,260	6.0
2022	15.8	--	39	15.4	7,914	16.5
<b>Not Available</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>1,053</b>	<b>100.0</b>	<b>105,178</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>254</b>	<b>100.0</b>	<b>47,890</b>	<b>100.0</b>
<i>Source: 2021 &amp; 2022 D&amp;B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

The distribution of borrowers reflects excellent penetration among individuals of different incomes and businesses of different sizes in the Barnstable Town MSA assessment area. The bank’s excellent performance of home mortgage and good performance of small business lending support this conclusion. Examiners gave greater weight to home mortgage than small business lending, since the volume of loans was greater during the evaluation period.

### ***Home Mortgage Loans***

The distribution of borrowers reflects excellent penetration among individuals of different income levels. As shown in the following table, the bank’s lending to low-income borrowers exceeded aggregate in 2021 and 2022. The bank’s and the aggregate’s level of lending was below the

percentage of low-income families in 2021 and 2022. However, low-income families in the Barnstable Town MSA assessment area, earning less than \$57,800, may have difficulty qualifying for a mortgage under conventional underwriting standards, especially considering the median housing value of \$454,477. Additionally, 4.3 percent of families in this assessment area are below the poverty level. These factors help explain the disparity between lending to low-income families and the percentage of low-income families.

CC5’s lending to moderate-income borrowers exceeded the aggregate performance in 2021 but was slightly below the aggregate performance in 2022. The bank was below the area demographics for both years; however, the number of loans and percentage of loans to moderate-income borrowers increased from 2021. Market share reports for 2021 and 2022 showed CC5 as the top ranked bank lending to both low- and moderate-income individuals, demonstrating excellent performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Barnstable Town MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	19.1	3.7	187	6.5	38,517	3.8
2022	19.3	9.0	298	11.3	58,301	6.1
<b>Moderate</b>						
2021	18.7	13.3	396	13.7	83,914	8.2
2022	19.3	17.4	443	16.9	99,804	10.5
<b>Middle</b>						
2021	23.0	19.1	602	20.9	154,725	15.2
2022	20.7	18.7	489	18.6	127,192	13.4
<b>Upper</b>						
2021	39.2	52.1	1,570	54.4	678,915	66.5
2022	40.7	45.5	1,273	48.5	602,849	63.5
<b>Not Available</b>						
2021	0.0	11.8	129	4.5	64,196	6.3
2022	0.0	9.4	124	4.7	60,749	6.4
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>2,884</b>	<b>100.0</b>	<b>1,020,267</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>2,627</b>	<b>100.0</b>	<b>948,894</b>	<b>100.0</b>

*Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

***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, CC5’s performance was well below

aggregate data in 2021, but improved to 41.7 percent in 2022. Performance fell below the percentage of businesses in both 2021 and 2022. Although performance was less than the demographics, 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 for 2021. Only 190 or 18.0 percent of the bank’s small business loans in 2021 included revenue information. Of these 190 small business loans, CC5 originated 41.1 percent to businesses with GARs of \$1.0 million or less, which exceeds 2021 aggregate performance and is consistent with the bank’s 2022 percentage. Furthermore, market share reports for 2021, showed CC5 as the 3<sup>rd</sup> ranked state-chartered community bank lending to businesses with GARs of \$1.0 million or less, outperformed only by Eastern Bank and Rockland Trust Company, both of which are much larger financial institutions.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Barnstable Town MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2021	88.4	40.0	78	7.4	14,657	13.9
2022	89.4	--	106	41.7	17,519	36.6
<b>&gt;\$1,000,000</b>						
2021	3.6	--	112	10.6	26,368	25.1
2022	3.1	--	145	57.1	29,810	62.2
<b>Revenue Not Available</b>						
2021	8.0	--	863	82.0	64,153	61.0
2022	7.4	--	3	1.2	561	1.2
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>1,053</b>	<b>100.0</b>	<b>105,178</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>254</b>	<b>100.0</b>	<b>47,890</b>	<b>100.0</b>
<i>Source: 2021 &amp; 2022 D&amp;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 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 lower loan amounts supports that the bank is helping serve the needs of small businesses in the assessment area. Refer to the following table for details.



<b>Distribution of PPP Loans by Loan Size (2021)</b>				
<b>Assessment Area: Barnstable Town MSA</b>				
<b>Loan Size (\$)</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
< \$100,000	679	78.7	19,413	30.3
\$100,000 - \$249,999	125	14.5	19,863	31.0
\$250,000 - \$1,000,000	59	6.8	24,877	38.7
<b>Total</b>	<b>863</b>	<b>100.0</b>	<b>64,153</b>	<b>100.0</b>
<i>Source: Bank Data. Due to rounding, totals may not equal 100.0%</i>				

### **Community Development Loans**

CC5 is a leader in making community development loans in the Barnstable Town MSA assessment area. The bank originated 115 community development loans totaling approximately \$43.4 million during the evaluation period in the Barnstable Town MSA. This level of activity is a slight decrease from the prior evaluation period, when the bank originated 127 loans, totaling \$74.3 million. However, this level of activity far exceeded that of a much larger financial institution within the Barnstable Town MSA assessment area. The following table illustrates the bank’s community development lending activity in this assessment area by community development purpose and year.

<b>Community Development Lending</b>										
<b>Assessment Area: Barnstable Town MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2020	1	100	1	500	4	6,131	0	0	6	6,731
2021	6	1,795	11	2,913	72	15,768	1	750	90	21,226
2022	8	8,244	6	4,513	1	1,050	0	0	15	13,807
2023 (YTD)	3	1,670	1	10	0	0	0	0	4	1,680
<b>Total</b>	<b>18</b>	<b>11,809</b>	<b>19</b>	<b>7,936</b>	<b>77</b>	<b>22,949</b>	<b>1</b>	<b>750</b>	<b>115</b>	<b>43,444</b>
<i>Source: Bank Data</i>										

The bank originated a high volume of community development loans that supported affordable housing, community services, and economic development. The following are examples of community development loans the bank originated during the evaluation period.

- In 2021 through 2023, the bank originated four loans totaling \$3.3 million to finance construction costs of affordable single-family homes located in Falmouth, Massachusetts. All homes are sold through a lottery to individuals whose income does not exceed 80.0 percent of the area median income. These loans received credit for providing affordable housing for low- and moderate-income individuals.
- In 2021 through 2022, the bank originated one loan to purchase a truck and three lines of credit totaling \$1.1 million to a nonprofit organization located in Barnstable County that provides programs, services, food, and goods to disabled veterans and active-duty military in need. The organization assists in reintegrating homeless veterans into employment within

the labor force. These loans received credit for providing community services to low- and moderate-income individuals.

- In 2022, the bank originated a \$2.8 million loan to fund permanent financing of a 30-unit affordable housing complex located in Sandwich, Massachusetts. Rent rolls indicate all rental units are below HUD’s fair market rent and therefore supports affordable housing needs to low- and moderate-income individuals. This loan received credit for providing affordable housing for low- and moderate-income individuals.

## INVESTMENT TEST

CC5 demonstrated excellent performance under the Investment Test in the Barnstable Town MSA assessment area. The bank’s excellent performance in Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion. The following sections discuss the bank’s performance under each criterion.

### Investment and Grant Activity

CC5 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. The bank made 363 qualified investments and grants totaling approximately \$7.6 million. CC5’s investment activity is a significant increase from the 284 qualified investments totaling \$4.4 million made during the prior evaluation period. The following table illustrates the bank’s community development investment and grant activity in this assessment area by community development purpose and year.

<b>Qualified Investments</b>										
<b>Assessment Area: Barnstable Town MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	3	2,858	1	52	0	0	0	0	4	2,910
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
2023 (YTD)	1	3,452	0	0	0	0	0	0	1	3,452
<b>Subtotal</b>	<b>4</b>	<b>6,310</b>	<b>1</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>6,362</b>
Qualified Grants & Donations	44	312	284	851	23	103	7	29	358	1,295
<b>Total</b>	<b>48</b>	<b>6,622</b>	<b>285</b>	<b>903</b>	<b>23</b>	<b>103</b>	<b>7</b>	<b>29</b>	<b>363</b>	<b>7,657</b>
<i>Source: Bank Data</i>										

### Equity Investments

The bank has five investments totaling \$6.4 million inside the Barnstable Town MSA assessment area. The bank made one new investment of \$3.5 million and maintained four prior period investments with book values totaling \$2.9 million. The following are examples of the bank's investments.

#### *Prior Period Investments*

- The bank's charitable foundation continues to hold an investment in the CCM Community Impact Bond Fund Institutional Shares (Formerly CRA Qualified Investment Fund). The fund allows investors to direct their investments to support specific geographies and themes. The bank's investment into this fund is directed toward affordable housing in Barnstable County. The current book value of the investment is \$2.4 million. The bank's investment in this fund primarily benefitted affordable housing initiatives in the Barnstable Town MSA assessment area.
- The bank maintains a Solar Renewable Energy Investment Tax Credit for a solar farm located in Wareham that provides energy offsets for Cape Cod Healthcare and a mix of residential customers. Cape Cod Healthcare runs both Cape Cod Hospital in Hyannis and Falmouth Hospital in Falmouth. Cape Cod Hospital is located in a moderate-income census tract. Both Cape Cod Hospital and Falmouth Hospital are categorized as High Public Payer Hospitals, as they primarily receive revenues from government assistance programs that benefit low- and moderate-income patients. The current book value of the Tax Credit is \$51,579. The bank's investment in this tax credit helps provide community services to the bank's assessment area.

#### *Current Period Investments*

- In 2023, the bank purchased a Solar Renewable Energy Investment Tax Credit for a project in Sandwich for \$3.5 million. The investment assists with the development of renewable energy that is used to offset conventional energy costs. The investment primarily benefits public affordable housing authorities in Barnstable County that provide affordable housing for low- and moderate-income individuals.

### Qualified Grants and Donations

During the evaluation period, CC5 made 358 qualified grants and donations totaling approximately \$1.3 million. This is a significant increase by number of donations and a slight decrease by total dollar amount of donations compared to the prior evaluation period when the bank made 279 qualified grants and donations totaling approximately \$1.5 million. The majority of the bank's donations supported community service and affordable housing organizations that primarily benefit low- and moderate-income individuals and families.

- ***Belonging to Each Other, Inc.*** – This non-profit community service organization provides transitional housing and other services for adults in Falmouth experiencing homelessness. During the winter months, the organization provides rental housing for up to 12 adults. In

addition, the organization provides year-round housing case management services to help transition clients out of homelessness. During the evaluation period, the bank and its charitable foundation made multiple grants and donations to support the organization, including a grant to assist the organization with purchasing a single-room occupancy home to house clients during the winter months. The bank's support of this organization helped expand access to community services in the Barnstable Town MSA assessment area.

- ***Habitat for Humanity of Cape Cod, Inc.*** – This non-profit affordable housing organization constructs housing for low- and moderate-income households who earn no more than 80 percent of the area median income by household size, have a current living situation that is inadequate for the household, and have a serious need for an affordable home. The bank and its charitable foundation made multiple grants and donations to the organization during the evaluation period. The bank's support of this organization helped expand access to affordable housing in the Barnstable Town MSA assessment area.
- ***Homeless Prevention Council, Inc.*** – This non-profit organization assists low- and moderate-income individuals retain housing and attain financial independence. The organization offers case management support to help individuals and families remain in affordable housing. The organization also offers rental assistance for participants living in Provincetown, Truro, Wellfleet, Eastham, and Dennis. During the evaluation period, the bank and its charitable foundation made multiple grants and donations to support the organization. In 2022, grants helped the organization construct a new facility to expand its services. The bank's support of this organization helped expand access to affordable housing in the Barnstable Town MSA assessment area.
- ***Sustainable CAPE*** – During the evaluation period, the bank's charitable foundation made multiple grants to support two of the organization's projects. In 2021, the foundation made grants to support the organization's development of an online farmers market. Sustainable CAPE designed the online farmers market to accept SNAP, WIC, HIP, Senior Farmers Market Discount Coupons, and Project Gratitude, which directly benefit low-income individuals and families and provide them access to fresh and healthy food. Prior to the creation of the website, low-income individuals in the community did not have an online option to purchase food with low-income food assistance programs. In 2023, the foundation also supported the organization's effort to reduce stigma and improve food equity through local incentive programs at farmers markets. The project's goal is to create farmers market programs in which traditional customers and customers using SNAP and other low-income food access programs use the same token system to purchase food in order to reduce the stigma around using low-income food access programs. The project also includes enhancing training and technical support for new and returning farmers who participate in the farmer's market regarding integrating low-income food access programs. The bank's support of this organization helped expand access to vital community services for low- and moderate-income individuals and families within the Barnstable Town MSA assessment area.

## **Responsiveness to Credit and Community Development Needs**

The bank provides excellent responsiveness to credit and community development needs. The bank's qualified investments have community development purposes that benefit communities throughout the entire assessment area and address community development needs identified by interviews with the community contact. The community contact identified affordable housing as a critical need in the assessment area, and the bank more than doubled their investments and grants to affordable housing related initiatives within Barnstable County since the prior evaluation period. Compared to the prior evaluation period, the bank increased its equity investments to affordable housing initiatives from approximately \$2.9 million to \$6.3 million. In addition, the bank donated to numerous community service organizations providing resources and support to low- and moderate-income individuals and families.

## **Community Development Initiatives**

The bank makes significant use of innovative and complex investments to support community development initiatives. The continued focus on renewable energy investments and multiyear grant commitments exhibit innovative investments in the Barnstable Town MSA assessment area.

## **SERVICE TEST**

CC5 demonstrated excellent performance under the Service Test in the Barnstable Town MSA assessment area. The bank's excellent performance under the Accessibility of Delivery Systems 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 readily accessible to all portions of the Barnstable Town MSA assessment area. Of the 16 branches and 20 ATMs in this assessment area, three branches and three ATMs are located in moderate-income tracts. There are no branches in the one low-income census tract; however, the tract is comprised of the Camp Edwards Wildlife Management area and Massachusetts National Cemetery. The distribution of branches in moderate-income tracts slightly trails the demographic comparators; however, the bank's branches are accessible to the moderate-income tracts that do not have a CC5 branch. Specifically, the Falmouth, Provincetown, South Dennis, and Yarmouth branches are all located within five miles of the moderate-income census tracts.

CC5's alternative delivery systems, including remote deposit capture; internet, telephone, and mobile banking; and Samsung, Google, and Apple Pay expand access to retail banking services. While these services are not targeted specifically to low- and moderate-income individuals or geographies, they benefit and increase accessibility for all customers in the assessment area.

The following table illustrates the branch and ATM distribution by tract income level.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Assessment Area: Barnstable Town MSA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	1	1.8	797	0.3	0	0.0	0	0.0
Moderate	11	19.3	44,207	19.3	3	18.8	3	15.0
Middle	35	61.4	144,187	63.0	12	75.0	15	75.0
Upper	9	15.8	39,805	17.4	1	6.3	2	10.0
NA	1	1.8	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>57</b>	<b>100.0</b>	<b>228,996</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>
<i>Source: 2020 U.S Census; Bank Data</i>								

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. CC5 did not open or close any branches in the Barnstable Town MSA assessment area during the evaluation period. CC5 closed one stand-alone ATM in an upper-income census tract due to low usage.

### **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 and/or individuals. All retail branches offer the same loan and deposit products and services. The bank maintains similar hours at most of their locations. Full-service branches generally maintain hours from 8:30 AM to 4:30 PM Monday through Thursday, 8:30 AM to 5:00 PM on Friday, and 8:30 AM to 12:30 PM on Saturday. Saturday hours vary slightly by location as some branches close at 12:00 PM; however, the branches located in moderate-income tracts are open until 12:30 PM on Saturdays.

### **Community Development Services**

CC5 is a leader in providing community development services. During the evaluation period, the bank provided 299 instances of financial expertise or technical assistance to community development organizations in the Barnstable Town MSA assessment area. This is a significant increase from the prior evaluation period, during which the bank provided 138 instances of financial expertise or technical assistance. The following table illustrates community development services by year and by purpose.

<b>Community Development Services</b>					
<b>Assessment Area: Barnstable Town MSA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2020	19	28	7	6	<b>60</b>
2021	10	37	9	6	<b>62</b>
2022	12	61	9	6	<b>88</b>
2023 (YTD)	14	60	9	6	<b>89</b>
<b>Total</b>	<b>55</b>	<b>186</b>	<b>34</b>	<b>24</b>	<b>299</b>
<i>Source: Bank Data</i>					

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

Employee Involvement

- ***Brewster Housing Partnership*** – The Brewster Housing Partnership promotes affordable housing, protects the housing interests of vulnerable and resource-challenged populations, and preserves housing for low-income residents of Brewster. The partnership brings together local decision makers, residents, and organizations to achieve its mission of affordable housing. The bank’s Chief Risk Officer is an appointed member of the organization, and a mortgage loan officer at the bank serves as a committee member. The bank’s involvement with this organization helps to promote affordable housing in the Barnstable Town MSA assessment area.
- ***Community Development Partnership*** – The Community Development Partnership works to build a diverse year-round community in the Lower Cape. The organization promotes, develops, and maintains affordable housing and assists with the growth of local small businesses. During the evaluation period, the bank was highly involved with this organization, having five employees of the bank serve in various roles, including the Board and Advisory Council, assisting with the development of affordable housing and small businesses. The bank’s involvement with this organization helped to promote affordable housing and economic development activities in the Barnstable Town MSA assessment area.
- ***The Family Pantry of Cape Cod*** – This non-profit food pantry provides families and individuals in need with food and clothing every 10 days and offers assistance with enrolling in SNAP and fuel assistance programs. The organization also collaborates with the Councils on Aging in the towns of Brewster, Dennis, Chatham, Eastham, Orleans, and Provincetown to provide a mobile food pantry for seniors in those communities. A commercial loan officer serves on the organization’s Board of Directors and as Treasurer. An operations administrator serves as the Vice-President of the Board of Directors and on the Finance and Executive Committees. The bank’s support of this organization helps to provide community services to low- and moderate-income individuals and families in the Barnstable Town MSA assessment area.

- ***Lower Cape Outreach Council*** – The Lower Cape Outreach Council provides community services to the Lower Cape communities of Brewster, Chatham, Eastham, Harwich, Orleans, Provincetown, Truro, and Wellfleet. The organization provides emergency food, clothing, and financial assistance to residents in need. A senior financial advisor serves on the organization’s Board of Directors. The bank’s involvement with this organization helps to provide community services to low- and moderate-income individuals and families in the Barnstable Town MSA assessment area.

Educational Services and Seminars

- ***Credit for Life Fairs*** – During the evaluation period, the bank hosted ten Credit for Life Fairs in the Barnstable County assessment area at Barnstable High School, Cape Cod Regional Vocational Technical School, and Dennis-Yarmouth High School. The three schools all have a majority of students who are low- or moderate-income and 1,498 students participated in the fairs. The Credit for Life Fairs helped to provide financial literacy education to low- and moderate-income students in the Barnstable Town MSA assessment area.
- ***Cybersecurity and Fraud Prevention*** – During the evaluation period, the bank hosted a number of cybersecurity and fraud prevention seminars in the Barnstable Town MSA assessment area and 72 individuals participated in the events. The bank held five events hosted by Barnstable Council on Aging, Catholic Social Services of Cape Cod, and Cape Cod Apartments that primarily benefitted low- and moderate-income individuals including seniors who are particularly vulnerable to fraud.
- ***Immigrant Entrepreneur and Small Business Expo*** – In 2023, the bank hosted an Immigrant Entrepreneur and Small Business Expo for Portuguese speakers at its headquarters. Portuguese-speaking bank employees presented on topics specific to the Portuguese small business community. Approximately 80 individuals attended the Expo. The event helped promote economic development in the Barnstable Town MSA assessment area by providing technical assistance and education to small businesses and entrepreneurs.

**NONMETROPOLITAN STATEWIDE AREA – Full-Scope Review**

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

CC5 operates 4 or 18.2 percent of its 22 branch offices in the Non-MSA assessment area. The Non-MSA assessment area represents 14.1 percent of the total number of census tracts, 24.0 percent of loans, and 11.7 percent of deposits. This assessment area consists of Dukes and Nantucket Counties in their entirety. These counties include Nantucket, Martha’s 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 had 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 contains 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.

The moderate-income census tracts are located in Tisbury (1), which is located in Dukes County, and Nantucket (1), which is located in Nantucket County. In addition, as of 2022, there were five underserved nonmetropolitan middle-income geographies in Nantucket. In 2023, these census tracts were designated as both distressed and underserved middle-income geographies. The two census tracts with no income designation represent large bodies of water.

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

<b>Demographic Information</b>						
<b>Assessment Area: Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
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&amp;B Data; 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 pronounced seasonal tourism on the islands. Of the 30,528 housing units, only 24.7 percent are owner-occupied while 65.3 percent are vacant and 10.0 percent are occupied rental units. The significant volume of seasonal housing in the area is reflected in the vacancy rate. 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 \$1.0 million or less,
- 4.3 percent have more than \$1.0 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 used the FFIEC-updated MFI levels to analyze home mortgage loans under the Borrower Profile criterion. The following table illustrates the MFI ranges in the assessment area in 2021 and 2022.

<b>Median Family Income Ranges</b>				
<b>Assessment Area: Non-MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>MA Non-MSA Median Family Income (99999)</b>				
2021 (\$111,700)	<\$55,850	\$55,850 to <\$89,360	\$89,360 to <\$134,040	≥\$134,040
2022 (\$119,400)	<\$59,700	\$59,700 to <\$95,520	\$95,520 to <\$143,280	≥\$143,280

*Source: FFIEC*

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 unemployment rate and national average. Unemployment rates in the assessment area improved year over year, but remained above the state and national unemployment rates throughout the evaluation period. The table below illustrates the average annual unemployment rates in each County within the Non-MSA assessment area.

<b>Unemployment Rates</b>			
<b>Assessment Area: Non-MSA</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
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

*Source: Bureau of Labor Statistics*

## **Competition**

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, 2023, six financial institutions operate 23 offices in the assessment area. Of these, CC5 ranked third with 19.3 percent of the deposit market share. Martha’s Vineyard Bank ranked first with 36.9 percent market share and Rockland Trust Company ranked second with 24.2 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 the assessment area. In 2021, 241 lenders reported 3,202 residential loans within the Non-MSA assessment area. CC5 ranked first with 22.7 percent market share. Martha’s Vineyard Bank ranked second with 11.5 percent market share and Rockland Trust Company ranked third with 4.5 percent market share. In 2022, 171 lenders reported 1,760 residential mortgage loans. CC5 ranked first with 22.7 percent

market share. Martha's Vineyard Bank ranked second with 10.6 percent market share and Rockland Trust Company ranked third with 7.3 percent market share.

There is also moderate competition for small business loans from national banks, regional banks, and other state-chartered community banks. In 2021 (the most current year available), 69 lenders reported 2,902 small business loans within the Non-MSA assessment area. CC5 ranked third with 10.8 percent market share and was the top ranked state-chartered community bank. American Express N.A. ranked first with 28.2 percent market share, followed by Bank of America, N.A., with 12.9 percent market share.

### **Community Contact**

Examiners reviewed a recent community contact with an organization that serves the assessment area. The organization offers programs including affordable rental housing for year-round residents, covenant homes, house recycling, and education classes to low- and moderate-income individuals. The contact emphasized that affordable housing is the most pressing community need, as low-income individuals cannot afford market rents and the number of affordable units cannot meet the high demand. The contact stated that the shortage of housing stems from the island's median home price and lack of available land for development. Consequently, homeownership is unaffordable for a significant majority of year-round residents. In addition, the availability of reasonably priced rental units has declined significantly. The contact also expressed that there is a need for down payment assistance programs and financial education seminars. The contact indicated that local banks, particularly CC5, have been responsive to the community needs.

### **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, financial literacy, and down payment assistance programs are the area's 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**

CC5 demonstrated excellent performance under the Lending Test in the Non-MSA assessment area. The bank's excellent performance under the Lending Activity, Geographic Distribution, Borrower Profile, and Community Development Loans support this conclusion. The following sections detail the bank's performance under each criterion.

## **Lending Activity**

CC5's lending reflects excellent responsiveness to the credit needs of the assessment area. In 2020, 2021, and 2022, CC5 originated or purchased 1,497 home mortgage loans totaling approximately \$1.0 billion and 863 small business loans totaling approximately \$92.5 million inside the Non-MSA assessment area. The trends identified for this assessment area are the same as those discussed in the overall Lending Activity section. Home mortgage lending was relatively stable throughout the evaluation period; however, there were fluctuations in small business lending due to the SBA's PPP.

The Competition section includes details regarding the bank's market share rankings for home mortgage and small business lending. CC5 was the top ranked lender for home mortgage lending throughout the evaluation period and ranked third for small business lending. In addition, the bank increased its market share for home mortgage from 18.5 percent in 2020 to 22.7 percent in 2022. In 2022, the bank's number of loans was more than double that of the second ranked lender, Martha's Vineyard Bank.

## **Geographic Distribution**

The geographic distribution of loans reflects excellent penetration throughout the assessment area. The bank's excellent performance of home mortgage lending and adequate performance of small business lending support this conclusion. Examiners gave greater weight to home mortgage lending than small business lending because the volume of loans was greater during the evaluation period.

### ***Home Mortgage Loans***

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. As shown in the following table, CC5's performance in moderate-income census tracts exceeded aggregate and area demographics in 2021. In 2022, the bank's lending performance was slightly below aggregate and below area demographics; however, market share reports showed that CC5 ranked first lending in moderate-income geographies in 2022.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Non-MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
<b>Moderate</b>						
2021	11.8	11.9	73	13.3	39,066	10.3
2022	18.1	13.7	52	13.0	40,980	13.6
<b>Middle</b>						
2021	78.3	77.1	393	71.7	284,871	74.9
2022	81.9	86.3	348	87.0	260,949	86.4
<b>Upper</b>						
2021	9.9	11.0	82	15.0	56,520	14.9
2022	0.0	0.0	0	0.0	0	0.0
<b>Not Available</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>548</b>	<b>100.0</b>	<b>380,457</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>400</b>	<b>100.0</b>	<b>301,929</b>	<b>100.0</b>

*Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

***Small Business Loans***

Small business lending reflects adequate penetration throughout the assessment area. As shown in the following table, the bank’s performance in moderate-income census tracts was well below aggregate and area demographics in 2021. However, CC5 ranked sixth out of 69 small business lenders and was the second highest ranked state-chartered community bank in moderate-income census tracts. In 2022, the bank’s performance remained below demographics.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Non-MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
<b>Moderate</b>						
2021	12.0	11.2	13	4.2	772	2.1
2022	15.2	--	6	9.1	3,023	22.1
<b>Middle</b>						
2021	70.2	68.5	197	62.9	23,476	63.6
2022	84.8	--	60	90.9	10,666	77.9
<b>Upper</b>						
2021	17.8	20.3	103	32.9	12,641	34.3
2022	0.0	--	0	0.0	0	0.0
<b>Not Available</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>313</b>	<b>100.0</b>	<b>36,889</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>66</b>	<b>100.0</b>	<b>13,689</b>	<b>100.0</b>
<i>Source: 2021 &amp; 2022 D&amp;B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

The distribution of borrowers reflects excellent penetration among individuals of different income levels and businesses of different sizes within the Non-MSA assessment area. The bank's excellent performance of home mortgage lending and good performance of small business lending support this conclusion. Examiners gave greater weight to home mortgage than small business lending because the volume of loans was greater during the evaluation period.

### ***Home Mortgage Loans***

The distribution of borrowers reflects excellent penetration among individuals of different income levels. As shown in the following table, lending to low-income borrowers exceeded aggregate in 2021 and 2022, but was below demographics in both years. A low-income family in the Non-MSA assessment area, earning less than \$59,700, would have difficulty qualifying for a mortgage under conventional underwriting standards considering the median housing value of \$1,032,948. This helps explain the disparity between lending to low-income families and the percentage of low-income families. While CC5's lending performance to moderate-income borrowers was also below

demographics, performance exceeded the aggregate performance in 2021 and 2022. Further, market share reports for 2022 showed that CC5 ranked 1<sup>st</sup> in lending to low-income borrowers and moderate-income borrowers, with 34.0 percent and 42.7 percent market share, respectively. These market rankings further support the bank’s excellent performance.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Non-MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	19.6	2.8	23	4.2	13,241	3.5
2022	21.6	2.7	16	4.0	7,734	2.6
<b>Moderate</b>						
2021	12.5	7.9	54	9.9	20,274	5.3
2022	16.8	7.0	53	13.3	22,964	7.6
<b>Middle</b>						
2021	16.3	12.8	122	22.3	62,010	16.3
2022	24.4	11.5	80	20.0	33,853	11.2
<b>Upper</b>						
2021	51.6	63.5	312	56.9	247,008	64.9
2022	37.1	65.5	236	59.0	222,860	73.8
<b>Not Available</b>						
2021	0.0	13.0	37	6.8	37,925	10.0
2022	0.0	13.3	15	3.8	14,519	4.8
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>548</b>	<b>100.0</b>	<b>380,457</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>400</b>	<b>100.0</b>	<b>301,929</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; 2020 U.S. Census; Bank Data, 2021 &amp; 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of borrowers reflects good penetration of loans to businesses with GARs of \$1.0 million or less. As shown in the following table, CC5’s performance was well below aggregate performance and the percentage of businesses in 2021. However, the bank originated a large number of loans for which GAR information was not available in 2021. 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. In 2022, the bank’s performance was similar to the prior evaluation period and the bank originated more than 50 percent of their small business loans to businesses with GARs of \$1.0 million or less.



<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Non-MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2021	88.8	34.9	23	7.3	2,650	7.2
2022	91.3	--	35	53.0	5,313	38.8
<b>&gt;\$1,000,000</b>						
2021	4.3	--	28	8.9	7,308	19.8
2022	3.2	--	30	45.5	8,073	59.0
<b>Revenue Not Available</b>						
2021	6.9	--	262	83.7	26,931	73.0
2022	5.6	--	1	1.5	303	2.2
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>313</b>	<b>100.0</b>	<b>36,889</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>66</b>	<b>100.0</b>	<b>13,689</b>	<b>100.0</b>

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

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 less than \$100,000. Furthermore, 86.6 percent of PPP loans had loan sizes below \$250,000. The high percentage of lower loan amounts supports that the bank is helping serve the needs of small businesses in the assessment area. Refer to the following table for details.

<b>Distribution of PPP Loans by Loan Size (2021)</b>				
<b>Assessment Area: Non-MSA</b>				
<b>Loan Size (\$)</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
< \$100,000	190	72.5	6,436	23.9
\$100,000 - \$249,999	37	14.1	6,324	23.5
\$250,000 - \$1,000,000	35	13.4	14,171	52.6
<b>Total</b>	<b>262</b>	<b>100.0</b>	<b>26,931</b>	<b>100.0</b>

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

### **Community Development Loans**

CC5 is a leader in making community development loans in the Non-MSA assessment area. During the evaluation period, the bank originated 36 community development loans for approximately \$8.7 million in the assessment area. Of the 36 community development loans, 24 loans totaling \$3.7 million were PPP loans. CC5 exceeded the activity of a much larger state-chartered community bank in the assessment area. The following table illustrates the bank's community development loans by year and purpose.

<b>Community Development Lending Assessment Area: Non-MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	1	1,000	25	3,801	0	0	26	4,801
2022	2	2,360	0	0	1	40	0	0	3	2,400
2023 (YTD)	0	0	0	0	1	1,500	0	0	1	1,500
<b>Total</b>	<b>2</b>	<b>2,360</b>	<b>1</b>	<b>1,000</b>	<b>27</b>	<b>5,341</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>8,701</b>
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s community development lending in the Non-MSA assessment area.

- In 2022, the bank originated a \$2.2 million loan to a non-profit housing association to finance the construction of three new single-family homes in Nantucket. Upon completion, the homes are deed restricted to remain affordable. This loan received credit for providing affordable housing for low- and moderate-income individuals.
- In 2023, the bank originated a \$1.5 million loan to fund the purchase of a residential property located in an underserved middle-income census tract in Nantucket. The subject property will provide housing for eight employees employed by a local non-profit organization. Nantucket has a substantial shortage of year-round affordable employee rental housing options. As a result, the loan will help support permanent job retention for a non-profit organization. This loan supports economic development, by financing a small business that meets the size eligibility requirements of the SBA and retaining jobs for low- and moderate-income individuals.

## **INVESTMENT TEST**

CC5 demonstrated good performance under the Investment Test in the Non-MSA assessment area. The bank’s good performance in Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion. The following sections discuss the bank’s performance under each criterion.

### **Investment and Grant Activity**

CC5 has a significant level of qualified community development grants, occasionally in a leadership position. During the evaluation period, the bank made 60 CRA-qualified donations totaling approximately \$354,000. This represents an increase since the prior evaluation period, during which the bank made 55 donations totaling approximately \$319,000. CC5 did not make any qualified equity investments in this assessment area; however, according to the community contact, there are very limited opportunities for such investments in the Non-MSA assessment area. The

following table illustrates the number and dollar amount of qualified donations by community development category.

Qualified Investments 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
2023 (YTD)	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Qualified Grants & Donations	17	97	32	175	0	0	11	82	60	354
<b>Total</b>	<b>17</b>	<b>97</b>	<b>32</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>82</b>	<b>60</b>	<b>354</b>

Source: Bank Data

### Qualified Grants and Donations

- Harbor Homes of Martha's Vineyard** – This non-profit affordable housing organization provides short and long-term housing solutions for low-income individuals who are or are at risk of homelessness. In addition to a winter shelter that provides short-term housing to homeless individuals between November and April, Harbor Homes also maintains single-room occupancy rental units that provide long-term housing at an affordable rate for residents with income at or below 30 percent of the MFI. The bank and its charitable foundation made multiple grants and donations to this organization during the evaluation period, which helped to maintain affordable housing for low-income individuals within the Non-MSA assessment area.
- Housing Nantucket** – This non-profit organization maintains 39 affordable rental properties on Nantucket, provides homeownership education programs, and provides permanent housing opportunities through housing lotteries and covenant homes to support Nantucket’s year-round community. The Covenant Program creates scattered site homeownership opportunities enabling private property owners to sell a portion of their land that is otherwise not sub-dividable. In exchange, the owners record a deed restriction that permanently restricts ownership to qualified year-round islanders earning below 125 percent of Nantucket’s MFI and the price must be below the Maximum Sales Price. The Maximum Sales Price formula takes 30% of the gross annual income of a household earning less than 125 percent of Nantucket’s MFI to determine an affordable monthly housing payment. This monthly payment is used to back into a mortgage with 90 percent financing. This program creates homeownership opportunities for residents who otherwise would be unlikely to own their own home.

The bank and its charitable foundation made multiple grants and donations to this organization during the evaluation period, which helped to maintain affordable housing for low-income individuals within the Non-MSA assessment area.

- ***The Warming Place*** – The Warming Place is a day shelter that serves people experiencing homelessness on the Island of Nantucket. The organization provides a warm location, hot meals, and connects those in need to medical and mental health services. The bank and its charitable foundation made multiple grants and donations to this organization during the evaluation period, which helped to provide community services for low-income individuals within the Non-MSA assessment area.

### **Responsiveness to Credit and Community Development Needs**

The bank demonstrates good responsiveness to credit and community development needs within the assessment area. The bank's qualified investments meet community development needs identified by the community contact. Demographic data and the community contact indicated that grants and donations supporting community services and affordable housing were needs in the assessment area, and the bank's qualified investments were responsive to those needs of low-and moderate-income individuals and geographies. CC5's investment and grant activity primarily supported community services across the assessment area and a number of the bank's donations supported affordable housing and revitalization and stabilization efforts, which are critical community development needs of the area.

### **Community Development Initiatives**

The bank did not use innovative or complex investments to support community development initiatives during the evaluation period.

## **SERVICE TEST**

CC5 demonstrated excellent performance under the Service Test in the Non-MSA assessment area. The bank's excellent performance in the Accessibility of Delivery Systems 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 readily accessible to all portions of the Non-MSA assessment area. The bank has four full-service branches within the assessment area. The distribution among moderate-income census tracts is above both the percentage of moderate-income census tracts and the percentage of moderate-income populations residing in these tracts. In addition, two branch offices are located in an underserved and distressed non-metropolitan middle-income geography. A branch positioned in an underserved and distressed area creates financial access to customers who otherwise may not have had access to banking products and services. Since the prior evaluation, CC5 removed one

stand-alone ATM, located in the upper-income census tracts, due to access-related concerns and low usage.

The bank’s alternative delivery systems expand access to retail banking services. As stated, CC5’s alternative delivery channels include remote deposit capture, internet, telephone, and mobile banking, as well as Samsung, Google and Apple Pay. While these services are not targeted specifically to low- and moderate-income individuals or geographies, they benefit and increase accessibility for all customers in the assessment area.

The following table shows CC5’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.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Assessment Area: Non-MSA</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	16.7	5,339	15.3	1	25.0	1	25.0
Middle	8	66.7	29,516	84.7	3	75.0	3	75.0
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
<b>Total</b>	<b>12</b>	<b>100.0</b>	<b>34,855</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>

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

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems. CC5 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 and/or individuals. All retail branches offer the same loan and deposit products and services.

The bank maintains similar hours at most of their locations. Full-service branches generally maintain hours from 8:30 AM to 4:30 PM Monday through Thursday, 8:30 AM to 5:00 PM on Friday, and 8:30 AM to 12:00 PM on Saturday. The Nantucket and Edgartown branches, both of which are in middle-income census tracts, have seasonal hours of operation due to the seasonal nature of residents and businesses in the area. The bank closes the Edgartown branch on Saturdays beginning on the second Monday in October through the last Monday in May. The bank closes the Nantucket branch on Wednesdays and Saturdays starting with the second Monday in October through mid-April. Both branches have a walk-up ATM accessible 24-hrs, year round.

## Community Development Services

The bank is a leader in providing community development services in this assessment area. During the evaluation period, the bank provided 86 instances of financial expertise or technical assistance to community development organizations. This is an improvement compared to the prior evaluation period, during which the bank provided 50 instances of financial expertise or technical assistance. The following table illustrates the bank’s community development services by year and by purpose.

Community Development Services Assessment Area: Non-MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	13	6	0	2	21
2021	14	9	0	4	27
2022	11	4	0	4	19
2023 (YTD)	7	9	0	3	19
<b>Total</b>	<b>45</b>	<b>28</b>	<b>0</b>	<b>13</b>	<b>86</b>

*Source: Bank Data*

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

- ***Habitat for Humanity Nantucket, Inc.*** – This non-profit affordable housing organization constructs housing for low- and moderate-income households who earn no more than 80 percent of the area median income by household size, have a current living situation that is inadequate for the household or is only seasonal housing, and have a serious need for an affordable home. A mortgage loan officer serves as Vice President of the organization’s Board of Directors. The bank’s support of this agency helps to create affordable housing for low- and moderate-income individuals and families in the Non-MSA assessment area.
- ***Island Housing Trust Inc.*** – This non-profit Community Land Trust organization supports the creation and preservation of affordable housing on Martha’s Vineyard in the form of rental and owned affordable housing properties. The organization currently maintains 80 affordable rental units for low- and moderate-income families and individuals. Island Housing Trust Inc. is currently working towards constructing 150 new year-round owned and rented affordable homes by 2025 to help meet the island’s high need for affordable homes for year-round residents. A regional president served on the organization’s Board of Directors and on the Audit and Communications Committees from the prior evaluation until 2022, and a mortgage loan officer has served on the organization’s Stewardship Committee since 2022. The bank’s support of this organization helps to expand and preserve access to affordable housing for low- and moderate-income families and individuals in the Non-MSA assessment area.
- ***Nantucket Housing Authority*** – This public housing agency provides and maintains affordable housing for low- and moderate-income residents of Nantucket. The agency

maintains both state- and federally-aided affordable housing units. Currently, the agency oversees 10 units for elderly and disabled individuals, and 31 1-4 bedroom units for low- and moderate-income families. A mortgage loan officer at the bank serves as the organization's Commissioner and Treasurer. The bank's support of this agency helps to maintain affordable housing for low- and moderate-income individuals and families in the Non-MSA assessment area.

- ***First-Time Homebuyer Seminars*** – Throughout the evaluation period, the bank participated in eight first-time homebuyer seminars with Housing Nantucket, an affordable housing organization that serves the island of Nantucket. In total, 234 individuals participated in the eight seminars. The bank's participation in these seminars helped provide access to affordable housing for low- and moderate-income individuals and families in the Non-MSA assessment area through the provision of financial literacy.

## **BOSTON, MA MD ASSESSMENT AREA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN BOSTON MD ASSESSMENT AREA**

CC5 operates 2 or 9.1 percent of its 22 branch offices in the Boston MD assessment area. Of these, one is in Wareham and one is in Plymouth. In addition, the bank operates its Lending and Wealth Management office in Plymouth. The Boston MD assessment area represents 18.8 percent of the total number of census tracts, 4.5 percent of loans, and 3.5 percent of deposits. While a full-scope analysis was completed, performance in this area did not significantly affect the overall rating based on the small percentage of branches, deposits, and lending activity within the Boston, MD assessment area. The Boston MD assessment area encompasses only two towns: Plymouth and Wareham.

#### **Economic and Demographic Data**

The Boston MD 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 Boston MD assessment area had 15 census tracts with the following income designations:

- 0 low-income tracts,
- 4 moderate-income tract,
- 10 middle-income tracts, and
- 1 upper-income tract.

According to the 2020 U.S. Census, the Boston MD assessment area contains 16 census tracts, an increase of 1 census tract. The 16 census tracts have the following income designations:

- 0 low-income tracts,

- 5 moderate-income census tracts,
- 10 middle-income census tracts, and
- 1 upper-income census tract.

The assessment area does not contain any low-income census tracts. The five moderate-income census tracts are located in Plymouth (2) and Wareham (3).

<b>Demographic Information</b>						
<b>Assessment Area: Boston MD</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	16	0.0	31.3	62.5	6.3	0.0
Population by Geography	84,520	0.0	29.1	63.3	7.6	0.0
Housing Units by Geography	40,824	0.0	34.1	60.7	5.3	0.0
Owner-Occupied Units by Geography	27,230	0.0	24.4	68.9	6.7	0.0
Occupied Rental Units by Geography	7,252	0.0	58.5	39.7	1.8	0.0
Vacant Units by Geography	6,342	0.0	47.6	49.5	2.9	0.0
Businesses by Geography	8,010	0.0	33.3	57.1	9.6	0.0
Farms by Geography	237	0.0	25.7	62.0	12.2	0.0
Family Distribution by Income Level	23,022	21.4	18.6	24.1	35.9	0.0
Household Distribution by Income Level	34,482	24.2	17.7	20.2	38.0	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$359,206
			Median Gross Rent			\$1,351
			Families Below Poverty Level			3.2%
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data; 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. Of the 13,920 housing units located in moderate-income census tracts, 7,261 or 52.2 percent are occupied rental and vacant units, which indicates that there may be limited mortgage lending opportunities in those areas.

According to 2022 D&B Data, 8,010 non-farm businesses operate in the Boston MD assessment area. The following reflects the GARs for these businesses.

- 87.5 percent have \$1.0 million or less
- 3.4 percent have more than \$1.0 million, and
- 9.1 percent have unknown revenues



Service industries represent the largest portion of businesses at 36.7 percent, followed by non-classified establishments at 18.1 percent, and retail trade at 12.9 percent. Additionally, 65.1 percent of businesses operate with four employees or less and 90.6 percent operate from a single location.

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

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA Median Family Income (14454)</b>				
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
<i>Source: FFIEC</i>				

According to the U.S. Bureau of Labor Statistics, the average unemployment rates across the assessment area decreased after they peaked during the COVID-19 pandemic in 2020. As of 2022, the unemployment rate in Plymouth County was slightly above the Massachusetts statewide rate of 3.8 percent and the national average unemployment rate of 3.7 percent. Despite the positive changes in the unemployment rates, consumers may face challenges in obtaining home loans due to the significant increases in mortgage interest rates.

<b>Unemployment Rates</b>			
<b>Assessment Area: Boston MD</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Plymouth County	9.9	5.9	4.0
Massachusetts	9.4	5.5	3.8
National Average	8.1	5.3	3.7
<i>Source: Bureau of Labor Statistics</i>			

## **Competition**

The Boston MD assessment area represents a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, there were eight financial institutions operating 16 branches within Plymouth and Wareham. CC5 ranked seventh with a market share of 7.7 percent. Rockland Trust Company, Citizens Bank, N.A., and TD Bank, N.A. were the top institutions with a combined market share of 58.5 percent.

The market for mortgage lending is also competitive among banks, credit unions, and non-depository lenders. In 2021, 332 lenders reported 7,211 home mortgage loans. CC5 ranked 10<sup>th</sup> with 2.3 percent market share and was the second ranked state-chartered community bank. The financial institutions that ranked ahead of CC5 were large national banks, mortgage companies, and

Rockland Trust Company, which is a large state-chartered community bank. In 2022, 273 lenders reported 3,685 home mortgage loans. CC5 ranked third with 5.1 percent market share and was the second highest state-chartered community bank in the assessment area. Rockland Trust Company ranked second with 7.8 percent market share and the top lender was CBNA with 8.8 percent market share.

There is also significant competition for small business loans from national banks, regional banks, and other state-chartered community banks. In 2021 (the most current year available), 127 lenders reported 16,116 small business loans within Plymouth County. American Express National Bank had the greatest market share at 19.7 percent, followed by Rockland Trust Company, Bank of America, N.A., and US Bank, N.A., collectively capturing 24.4 percent of the market share. CC5 ranked 28<sup>th</sup> with 0.4 percent market share and was the fifth ranked state-chartered community bank. Small business market share data is only available at the county level. The Boston MD assessment area does not include full counties.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN BOSTON MD ASSESSMENT AREA**

### **LENDING TEST**

CC5 demonstrated good performance under the Lending Test in the Boston MD assessment area. The bank's good performance under the Lending Activity, Geographic Distribution, and Borrower Profile criteria primarily support this conclusion. The following sections detail the bank's performance under each criterion.

#### **Lending Activity**

CC5's lending levels reflect good responsiveness to the credit needs of the assessment area. In 2020, 2021 and 2022, CC5 originated or purchased 512 home mortgage loans totaling approximately \$188.8 million and 108 small business loans totaling approximately \$154.6 million inside the Boston MD assessment area. The trends identified for this assessment area are the same as those discussed in the overall Lending Activity section. Home mortgage lending was relatively stable throughout the evaluation period; however, there were fluctuations in small business lending due to the SBA's PPP. The Competition section includes details regarding the bank's market share rankings for home mortgage and small business lending. Notably, CC5 was the second ranked state-chartered community bank for home mortgage lending throughout the evaluation period.

#### **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the assessment area. The bank's home mortgage lending and small business lending performance support this conclusion. Examiners gave greater weight to home mortgage than small business lending because the volume of loans was greater during the evaluation period. Examiners focused on the percentage of loans in moderate-income census tracts by number.

### ***Home Mortgage Loans***

The distribution of home mortgage loans reflects good penetration throughout moderate-income census tracts in the assessment area. As shown in the following table, CC5's performance in moderate-income census tracts was slightly below demographics and aggregate performance in 2021. In 2022, the bank's performance improved and exceeded both demographics and aggregate performance. Market share reports showed that CC5 ranked third in lending in moderate-income geographies in 2022, outperformed by Rockland Trust Company (ranked 1<sup>st</sup>) and CBNA (ranked 2<sup>nd</sup>). Market share rankings and the positive trend in the bank's performance in moderate-income tracts in 2022 support the conclusion.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Boston MD</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
<b>Moderate</b>						
2021	23.3	23.3	34	20.7	8,196	14.6
2022	24.4	25.9	55	29.3	16,419	23.0
<b>Middle</b>						
2021	70.5	70.6	118	72.0	43,861	78.2
2022	68.9	66.9	123	65.4	51,113	71.6
<b>Upper</b>						
2021	6.2	6.1	12	7.3	4,015	7.2
2022	6.7	7.2	10	5.3	3,894	5.5
<b>Not Available</b>						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>	<b>56,072</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>188</b>	<b>100.0</b>	<b>71,426</b>	<b>100.0</b>

*Source: 2015 ACS & 2020 U.S. Census; Bank Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business loans reflects good penetration throughout moderate-income census tracts in the assessment area. As shown in the following table, the percentage of loans in moderate-income census tracts was below demographics and aggregate performance in 2021; however, the bank's performance significantly exceeded demographics in 2022. This represents

good performance, especially considering the level of competition for small business loans in the assessment area.

<b>Geographic Distribution of Small Business Loans</b>							
<b>Assessment Area: Boston MD</b>							
<b>Tract Income Level</b>		<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low							
	2021	0.0	0.0	0	0.0	0	0.0
	2022	0.0	--	0	0.0	0	0.0
Moderate							
	2021	27.0	25.5	8	21.6	927	23.5
	2022	33.3	--	8	66.7	1,263	60.2
Middle							
	2021	68.2	70.1	29	78.4	3,026	76.5
	2022	57.1	--	4	33.3	834	39.8
Upper							
	2021	4.8	4.4	0	0.0	0	0.0
	2022	9.6	--	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
<b>Totals</b>							
	<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>	<b>3,953</b>	<b>100.0</b>
	<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>12</b>	<b>100.0</b>	<b>2,097</b>	<b>100.0</b>
<i>Source: 2021 &amp; 2022 D&amp;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 good penetration among individuals of different income levels and businesses of different sizes within the Boston MD assessment area. The bank's good performance in home mortgage lending and adequate performance in small business lending support this conclusion. Examiners gave greater weight to home mortgage than small business lending because the volume of loans was greater during the evaluation period.

### ***Home Mortgage Loans***

The distribution of borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, while the bank's lending to low-income borrowers was below demographics, it exceeded aggregate performance in 2021 and 2022. A low-income family in the Boston MD assessment area, earning

less than \$56,850, may have difficulty qualifying for a mortgage under conventional underwriting standards considering the median housing value of \$359,206. These factors help explain the disparity between lending to low-income families and the percentage of low-income families in the assessment area. CC5's lending to moderate-income borrowers was below aggregate performance, but exceeded demographics in 2021 and 2022. The number and percentage of loans to low- and moderate-income borrowers has steadily increased year over year, illustrating a positive trend, which supports the conclusion.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Boston MD</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	23.2	8.7	17	10.4	3,992	7.1
2022	21.4	11.3	22	11.7	7,040	9.9
<b>Moderate</b>						
2021	17.8	24.0	30	18.3	7,888	14.1
2022	18.6	24.1	42	22.3	10,661	14.9
<b>Middle</b>						
2021	21.9	24.6	51	31.1	13,579	24.2
2022	24.1	25.0	45	23.9	13,560	19.0
<b>Upper</b>						
2021	37.1	26.9	59	36.0	26,495	47.3
2022	35.9	27.8	71	37.8	36,579	51.2
<b>Not Available</b>						
2021	0.0	15.8	7	4.3	4,119	7.3
2022	0.0	11.8	8	4.3	3,586	5.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>	<b>56,072</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>188</b>	<b>100.0</b>	<b>71,426</b>	<b>100.0</b>
<i>Source: 2015 ACS &amp; 2020 U.S. Census; Bank Data, 2021 &amp; 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of borrowers reflects adequate penetration of loans to businesses with GARs of \$1.0 million or less. As shown in the following table, CC5's performance is well below aggregate performance and the percentage of businesses in 2021; however, the bank originated a larger 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 larger number of small business loans in the "Revenue Not Available" category distorts the results. In 2022, the bank's performance was similar to the prior evaluation period and

the bank originated more than 50 percent of their small business loans to businesses with GARs of \$1.0 million or less.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Boston MD</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000						
2021	86.6	41.3	1	2.7	550	13.9
2022	87.5	--	7	58.3	913	43.5
>\$1,000,000						
2021	3.9	--	7	18.9	995	25.2
2022	3.4	--	5	41.7	1,184	56.5
Revenue Not Available						
2021	9.5	--	29	78.4	2,408	60.9
2022	9.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>	<b>3,953</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>--</b>	<b>12</b>	<b>100.0</b>	<b>2,097</b>	<b>100.0</b>

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

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 less than \$100,000. Furthermore, 89.7 percent of PPP loans had loan sizes below \$250,000. The high percentage of lower loan amounts supports that the bank is helping serve the needs of small businesses in the assessment area. Refer to the following table for details.

<b>Distribution of PPP Loans By Loan Size (2021)</b>				
<b>Assessment Area: Boston MD</b>				
<b>Loan Size</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
< \$100,000	25	86.2	1,043	43.3
\$100,000 - \$249,999	1	3.4	114	4.7
\$250,000 - \$1,000,000	3	10.3	1,251	52.0
<b>Total</b>	<b>29</b>	<b>100.0</b>	<b>2,408</b>	<b>100.0</b>

*Source: 1/1/2021 – 12/31/2021 Bank Data  
Due to rounding, totals may not equal 100.0*

### **Community Development Loans**

CC5 made a low level of community development loans in this assessment area. CC5 originated two community development loans totaling approximately \$256,000 during the evaluation period.

The following table illustrates the bank’s community development lending in the Boston MD assessment area by year and purpose.

<b>Community Development Lending Assessment Area: Boston MD</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	1	150	0	0	0	0	0	0	1	150
2023 (YTD)	0	0	1	106	0	0	0	0	1	106
<b>Total</b>	<b>1</b>	<b>150</b>	<b>1</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>256</b>

*Source: Bank Records*

The following summarizes the bank’s community development loans:

- In 2022, the bank originated a \$150,000 loan to finance the construction of an affordable apartment located in Plymouth. The apartment is a new addition to an 8-unit multifamily residential building, designed as affordable and managed by the Plymouth Housing Authority. This loan received credit for providing affordable housing for low- and moderate-income individuals.
- In 2023, the bank originated a \$106,000 loan to finance the expansion of a community food pantry for a non-profit organization that primarily serves Bristol and Plymouth Counties, including the greater Wareham and New Bedford areas. The food pantry provides nutritious food options to people who are experiencing food insecurity, benefitting primarily low- and moderate-income individuals and families.

## **INVESTMENT TEST**

CC5 demonstrated excellent performance under the Investment Test in the Boston MD assessment area. The bank’s excellent performance in Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion. The following sections discuss the bank’s performance under each criterion.

### **Investment and Grant Activity**

CC5 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 made 72 investments and donations totaling approximately \$1.5 million in the Boston MD assessment area. This includes one new qualified equity investment of \$1.3 million. The bank’s investment activity increased since the prior evaluation period, during which the bank made 57 investments and donations totaling approximately \$1.1 million. A majority of the bank’s

investment activities, by dollar, benefitted affordable housing initiatives. A majority of the bank’s grants and donations benefitted organizations that provide community services to low- and moderate-income individuals. The following table illustrates the number and dollar amount of qualified donations by year and community development category.

<b>Qualified Investments</b>										
<b>Assessment Area: Boston MD</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
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
2023 (YTD)	1	1,290	0	0	0	0	0	0	1	1,290
<b>Subtotal</b>	<b>1</b>	<b>1,290</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1,290</b>
Qualified Grants & Donations	13	42	54	131	0	0	4	31	71	204
<b>Total</b>	<b>14</b>	<b>1,332</b>	<b>54</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>31</b>	<b>72</b>	<b>1,494</b>

*Source: Bank Data*

Equity Investments

- In 2023, the bank purchased a CRA-targeted MBS for \$1.3 million. The MBS is securitized by home mortgage loans originated in Wareham and in Plymouth County just outside of the bank’s assessment area. All four of the underlying mortgages in the MBS were to low- and moderate-income borrowers and supported affordable housing in the Boston MD assessment area.

Qualified Grants and Donations

- **South Shore Community Action Council, Inc.** – This non-profit community service organization offers a variety of supportive services to low- and moderate-income families and individuals, assisting over 25,000 people annually. The organization offers home energy assistance, energy conservation programs, childcare, early education, food assistance, and emergency assistance. The bank and its charitable foundation made multiple grants and donations to the organization during the evaluation period. The bank’s support of this organization helped provide access to community services for low- and moderate-income families and individuals in the assessment area.
- **Wareham Area Committee for the Homeless (WACH)** – WACH is a non-profit community service organization that provides services to those experiencing homelessness or at risk of homelessness. The organization serves over 1,500 clients per year in Wareham and its surrounding communities. WACH provides utility assistance, rental assistance, emergency food supplies, and other supportive programs. The bank and its charitable foundation made



multiple grants and donations to this organization during the evaluation period. The bank's support of this organization helped to provide community services to low-income families and individuals in the assessment area.

### **Responsiveness to Credit and Community Development Needs**

The bank provides adequate responsiveness to credit and community development needs. The bank's qualified investments provided support for affordable housing initiatives and community services for low- and moderate-income families that benefit communities throughout the Boston, MD assessment area. Examiners identified these as primary community development needs during the evaluation period.

### **Community Development Initiatives**

The bank did not use innovative and/or complex investments to support community development initiatives during the evaluation period.

## **SERVICE TEST**

CC5 demonstrated good performance under the Service Test in the Boston MD assessment area. The bank's good performance in the Accessibility of Delivery Systems and Community Development Services criteria primarily 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 Boston MD assessment area. The bank has two full-service branches located in the towns of Plymouth and Wareham. The bank also has a lending and wealth management office, as well as one standalone ATM in Plymouth. While the bank does not have any branches or ATMs in the moderate-income census tracts, CC5's Wareham branch is accessible to the all three moderate-income census tracts in Wareham. Specifically, the branch is adjacent to one moderate-income census tract and is in close proximity (approximately 2 miles) from two other moderate-income census tracts.

The Plymouth branch and a stand-alone ATM, which is less than a quarter mile away from the branch, are both in a middle-income census tract. In addition, the lending and wealth management office in Plymouth is located in close proximity to the two moderate-income tracts in Plymouth. While not a full-service branch, this location is available to meet with residential and business customers.

The following table shows CC5's branch and ATM distribution by census tract income level in the Boston MD assessment area, along with the population distribution by census tract income level as a comparator.

<b>Branch and ATM Distribution by Geography Income Level Assessment Area: Boston MD</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	5	31.3	24,560	29.1	0	0.0	0	0.0
Middle	10	62.5	53,504	63.3	2	100.0	2	100.0
Upper	1	6.3	6,456	7.6	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>84,520</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

### **Changes in Branch Locations**

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. CC5 did not open or close any branches in the Boston MD 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 individuals or geographies. All retail branches offer the same loan and deposit products and services. The bank maintains similar hours at most of their locations. The Wareham branch hours are from 8:30 AM to 4:30 PM Monday through Thursday, 8:30 AM to 5 PM on Friday, and 8:30 AM to 12:00 PM on Saturday, which is consistent with the other full service branches.

### **Community Development Services**

The bank provides a relatively high level of community development services in the assessment area. During the evaluation period, the bank provided 37 instances of financial expertise or technical assistance to community development organizations in the assessment area. This is an increase in performance since the prior evaluation period, during which the bank provided 21 instances of financial expertise or technical assistance in the assessment area.

The following table illustrates the bank's community development services by year and by purpose.

Community Development Services Assessment Area: Boston MD					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	7	3	0	0	10
2021	4	4	0	0	8
2022	3	4	0	0	7
2023 (YTD)	3	9	0	0	12
<b>Total</b>	<b>17</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>37</b>
<i>Source: Bank Data</i>					

### Employee Involvement

- ***Town of Plymouth Affordable Housing Authority*** – This public housing agency operates, maintains, promotes, and provides affordable housing for low- and moderate-income residents of the Town of Plymouth. The agency maintains three affordable housing units and manages Section 8 Housing. A mortgage loan officer serves as a Committee Member and as Treasurer for the organization. The bank’s involvement with this agency helps to promote affordable housing in the Boston MD assessment area.
- ***Habitat for Humanity of Greater Plymouth, Inc.*** – This non-profit affordable housing organization constructs housing for low- and moderate-income households who earn no more than 60.0 percent of the area median income by household size, have a current living situation that is inadequate for the household, and have a serious need for an affordable home. The organization also offers home repair services that can assist with minor home repairs, installation of wheelchair ramps, rehabs, and special community collaboration projects. A mortgage loan officer serves on the organization’s Family Selection Committee and served on the Board of Directors in 2020 and 2021. The bank’s support of this organization helps create and maintain affordable housing for low- and moderate-income individuals and families in the Boston MD assessment area.

### Educational Services and Seminars

- ***Credit for Life Fairs*** – During the evaluation period, the bank hosted four fairs at Wareham High School, and 267 students participated. A majority of students at the high school are from low- and moderate-income families. The fairs helped to provide access to community services through the provision of financial literacy to low- and moderate-income students within the assessment area.
- ***First-Time Homebuyer Seminars*** – In 2020, the bank participated in three virtual first-time homebuyer seminars with the Plymouth Redevelopment Authority. In total, 75 individuals participated in the three seminars. The bank’s participation in these seminars helped provide access to affordable housing for low- and moderate-income individuals and families in the assessment area through the provision of financial literacy.

**APPENDICES**  
**DIVISION OF BANKS FAIR LENDING POLICIES AND PROCEDURES**

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the prior evaluation. Examiner conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not note any evidence of disparate treatment.

**MINORITY APPLICATION FLOW**

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

According to the 2020 U.S Census, the Bank's assessment area contained a total population of 348,371 individuals of which 15.6 percent are minorities. The minority population represented is 2.8 percent Black/African American, 1.3 percent Asian, 3.8 percent Hispanic or Latino, 0.4 percent American Indian, and 7.3 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.

<b>MINORITY APPLICATION FLOW</b>						
<b>RACE</b>	<b>2021</b>		<b>2021 Aggregate Data</b>	<b>2022</b>		<b>2022 Aggregate Data</b>
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>%</b>
American Indian/ Alaska Native	13	0.3	0.3	12	0.3	0.3
Asian	50	1.2	1.2	37	0.9	1.1
Black/ African American	56	1.3	1.7	62	1.5	2.2
Hawaiian/Pacific Islander	2	0.0	0.1	6	0.1	0.1
2 or more Minority	8	0.2	0.1	6	0.1	0.1
Joint Race (White/Minority)	57	1.3	1.2	70	1.7	1.4
<b>Total Racial Minority</b>	<b>186</b>	<b>4.3</b>	<b>4.6</b>	<b>193</b>	<b>4.6</b>	<b>5.2</b>
White	3,115	71.9	72.3	3,161	76.1	73.7
Race Not Available	1,033	23.8	23.2	801	19.3	21.1
<b>Total</b>	<b>4,334</b>	<b>100.0</b>	<b>100.0</b>	<b>4,155</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	76	1.8	2.2	159	3.8	3.4
Joint (Hisp/Lat /Not Hisp/Lat)	37	0.9	0.9	51	1.2	1.1
<b>Total Ethnic Minority</b>	<b>113</b>	<b>2.6</b>	<b>3.1</b>	<b>210</b>	<b>5.1</b>	<b>4.5</b>
Not Hispanic or Latino	2,967	68.5	72.0	3,083	74.2	73.1
Ethnicity Not Available	1,254	28.9	24.9	862	20.7	22.4
<b>Total</b>	<b>4,334</b>	<b>100.0</b>	<b>100.0</b>	<b>4,155</b>	<b>100.0</b>	<b>100.0</b>

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

In 2021, the bank received 4,334 home mortgage loan applications from within its assessment area. Of these applications, the bank received 186, or 4.3 percent, from racial minority applicants, of which 127, or 68.3 percent, resulted in originations. The aggregate received 4.6 percent of its applications from minority applicants, of which it originated 61.6 percent. For the same period, the bank also received 113 applications, or 2.6 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 79 or 69.9 percent, compared with an aggregate application rate of 3.1 percent with a 61.5 percent origination rate.

In 2022, the bank received 4,155 home mortgage loan applications from within its assessment area. Of these applications, the bank received 193, or 4.6 percent, from racial minority applicants, of which 129, or 66.8 percent, resulted in originations. The aggregate received 5.2 percent of its applications from minority applicants, of which it originated 56.4 percent. For the same period, the bank also received 210 applications, or 5.1 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, the bank originated 142 or 67.6 percent, compared with an aggregate application rate of 4.5 percent with a 56.6 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.

## **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

<b>The Cape Cod Five Cents Savings Bank</b>	
<b>Scope of Examination:</b>	
<ul style="list-style-type: none"> <li>• Full scope reviews were performed on the following assessment areas:               <ul style="list-style-type: none"> <li>○ Barnstable Town, MA MSA Assessment Area;</li> <li>○ Massachusetts Non-MSA Assessment Area;</li> <li>○ Boston, MD MSA Assessment Area</li> </ul> </li> </ul>	
<b>Time Period Reviewed:</b>	07/13/20 to 11/06/23
<b>Products Reviewed:</b>	
Home Mortgage Loans: (01/01/20 – 12/31/22)	
Small Business Loans: (01/01/20 – 12/31/22)	

<b>List of Assessment Areas and Type of Evaluation</b>			
<b>Rated Area/ Assessment Area</b>	<b>Type of Evaluation</b>	<b>Branches Visited</b>	<b>Other Information</b>
Barnstable Town, MA MSA	Full scope	None	None
Massachusetts Non-MSA	Full scope	None	None
Boston, MA MD	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.