

PUBLIC DISCLOSURE

July 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Washington Savings Bank
Certificate Number: 90229

30 Middlesex Street
Lowell, Massachusetts 01852

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

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 concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**. An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Outstanding.

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

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated March 26, 2018, to the current evaluation dated July 10, 2023. Examiners used FFIEC Small Institution Examination Procedures to evaluate Washington Savings Bank's CRA performance.

Activities Reviewed

Examiners determined that the bank's major product line is home mortgage lending. This conclusion considered the bank's business strategy and the number and dollar volume of originations during the evaluation period. No other loan types, such as small business, small farm, or consumer loans, represent a major product line, and they provide no material support for conclusions or ratings; therefore, examiners did not present them.

Examiners considered all 2021 and 2022 home mortgage originations. In 2021, the bank originated 162 home mortgage loans totaling \$56.6 million. In 2022, the bank originated 103 home mortgage loans totaling \$38.6 million. Examiners compared Washington Savings Bank's 2021 home mortgage lending performance to 2015 ACS demographic data and the bank's 2022 lending performance to 2020 U.S. Census demographic data. Examiners reviewed and presented both the number and dollar volume of home mortgage loans. However, examiners emphasized performance by number of loans, as it is a better indicator of the number of individuals served.

At the request of bank management, examiners also reviewed the bank's community development activities, including community development loans, investments, and services, since the prior CRA evaluation dated March 26, 2018.

DESCRIPTION OF INSTITUTION

Background

Washington Savings Bank is a mutually owned savings bank headquartered in Lowell, Massachusetts, and operates primarily in the northeastern part of Massachusetts and in a limited portion of southern New Hampshire. Washington Savings Bank received an Outstanding rating from the Massachusetts Division of Banks during its prior evaluation of March 26, 2018, based on FFIEC Interagency Small Institution Examination Procedures.

Operations

In addition to its full-service main office located in Lowell, in a moderate-income census tract, a second full-service branch and loan center is located at 100 Broadway Road in Dracut, a low-income census tract. The branches are open 9:00 a.m. - 4:00 p.m. Monday through Wednesday, extended hours Thursday and Friday until 6:00 p.m., and Saturday 9:00 a.m. – 3:00 p.m. Extended drive-up teller hours begin at 8:00 a.m. Monday through Friday. 24-hour automated teller machines are available at both branches, and a loan center operates at the Dracut branch. Since the prior evaluation, the bank has not opened or closed any branches, and there have been no mergers or acquisitions.

Washington Savings Bank offers lending and deposit products for both individuals and businesses. Lending products include home mortgages, home equity, consumer, automobile, and business loans. Deposit products include checking, savings, certificates of deposit, money market, and retirement accounts. Alternative banking services include online, mobile, digital wallet, electronic bill pay, rewards Mastercard debit card. Washington Savings Bank's debit cards are part of the Allpoint ATM Network.

Ability and Capacity

As of March 31, 2023, Washington Savings Bank's assets totaled approximately \$280.3 million, including total loans of \$230.5 million (82.2 percent of total assets). Total assets increased by approximately \$61.3 million, or 28.0 percent since the previous evaluation. The bank has total deposits of \$245.3 million, which increased by 41.6 percent since the previous evaluation. The following table shows that loans secured by 1-4 family residential properties represent the largest portion of the portfolio, followed by loans secured by multi-family (5 or more) residential properties and nonfarm nonresidential properties. Loan composition has not significantly changed since the prior evaluation.

Loan Portfolio Distribution as of 03/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, Other and Land Loans	5,271	2.3
Secured by Farmland	717	0.3
Secured by 1-4 Family Residential Properties	152,416	66.1
Secured by Multifamily (5 or more) Residential Properties	41,024	17.8
Secured by Nonfarm Nonresidential Properties	30,493	13.2
Total Real Estate Loans	229,921	99.7
Commercial and Industrial Loans	143	0.1
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	496	0.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	19	0.0
Less: Unearned Income	0	0.0
Total Loans	238,520	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Washington Savings Bank designated a single assessment area in the Cambridge-Newton-Framingham, MA Metropolitan Division (MD) and a portion within the Manchester-Nashua, NH MSA containing the seven Middlesex County municipalities of Chelmsford, Dracut, Dunstable, Lowell, Tewksbury, Tyngsborough, Westford and the one Hillsborough County municipality of Pelham, NH. The assessment area has not changed since the previous evaluation.

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

Economic and Demographic Data

The assessment area contains 56 census tracts with the following income designations according to 2020 US Census data:

- 10 low-income tracts,
- 14 moderate-income tracts,
- 20 middle-income tracts, and
- 12 upper-income tracts

With the release of 2020 U.S. Census data, census tract income designations and demographic data within the assessment area changed. For this evaluation, examiners used data from the 2020 U.S. Census to determine census tract income designations for 2022 and 2023, while the 2015 American Community Survey (ACS) determined census tract income designations for 2018, 2019, 2020, and 2021. According to the 2015 ACS, the assessment area consisted of 54 census tracts, of which 12 were low-income tracts, 11 moderate-income tracts, 21 middle-income tracts, and 10 upper-income tracts.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	56	17.9	25.0	35.7	21.4	0.0
Population by Geography	270,508	12.9	28.2	37.3	21.6	0.0
Housing Units by Geography	99,095	13.1	28.0	38.0	20.9	0.0
Owner-Occupied Units by Geography	64,424	4.1	22.1	46.0	27.8	0.0
Occupied Rental Units by Geography	31,363	30.5	39.7	22.8	7.0	0.0
Vacant Units by Geography	3,308	21.8	31.5	27.8	18.9	0.0
Family Distribution by Income Level	65,618	25.4	18.4	22.9	33.3	0.0
Household Distribution by Income Level	95,787	28.9	15.2	19.0	36.9	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA	\$121,481	Median Housing Value			\$360,625	
Median Family Income MSA - 31700 Manchester-Nashua, NH MSA	\$103,238	Median Gross Rent			\$1,289	
		Families Below Poverty Level			6.4%	
<i>Source: 2020 U.S. Census</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. As shown in the previous table, 65.0 percent of the 99,095 housing units are owner-occupied. Of the 64,424 owner-occupied units, 26.2 percent are located in low- and moderate-income census tracts. Additionally, 31,363 or 31.7 percent of all housing units are rented. This illustrates the assessment area’s limited homeownership opportunities.

Examiners used the 2021 and 2022 Federal Financial Institutions Examination Council updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories for the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2021 (\$120,200)	<\$60,100	\$60,100 to <\$96,160	\$96,160 to <\$144,240	≥\$144,240
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
Manchester-Nashua, NH MSA Median Family Income (31700)				
2021 (\$101,900)	<\$50,950	\$50,950 to <\$81,520	\$81,520 to <\$122,280	≥\$122,280
2022 (\$114,500)	<\$57,250	\$57,250 to <\$91,600	\$91,600 to <\$137,400	≥\$137,400
<i>Source: FFIEC</i>				

The assessment area's median housing value is \$360,625. Therefore, there may be limited opportunities for low- and moderate-income families to qualify for a mortgage under conventional underwriting standards. Additionally, well over one-third of families in the assessment area (42.9 percent) are low- and moderate-income families and approximately 6.4 percent of families live below the poverty line, which represents a subset of low-income families. These factors further limit the bank's home mortgage lending opportunities to low-income families.

Competition

The bank operates in a highly competitive market for financial services. According to Deposit Market Share data, as of June 30, 2022, 25 financial institutions operated 77 branches in the bank's assessment area. Of these institutions, Washington Savings Bank ranked 11th with a deposit market share of 2.5 percent. The top five financial institutions, Enterprise Bank and Trust, Jeanne D 'Arc Credit Union, Bank of America, N.A., TD Bank, N.A., and The Lowell Five Cent Savings Bank, held 69.4 percent of the deposit market share.

There is also a high level of competition for home mortgage loans among large national banks, community banks, credit unions, and mortgage companies in the assessment area. In 2022, aggregate home mortgage lending data shows that 356 lenders originated or purchased 7,802 home mortgage loans in the assessment area. The top five lenders within the are all large national institutions and collectively account for approximately 21.8 percent of the market. Market share data for 2022 indicates that Washington Savings Bank ranked 32nd with 0.76 percent market share and is among the top three ranked community banks in the assessment area.

Community Contact

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

Examiners contacted a community development organization serving the bank's assessment area. The contact stated that the primary need is affordable housing. The contact referenced rapidly rising housing costs and administrative process as challenges for both homebuyers and developers of affordable housing units and the number of applications for available affordable units substantially exceeds inventory. The contact noted that lending through the Lowell Development & Financial Corporation (LDFC) and the Lowell Plan programs generated successful affordable housing ventures. The contact further stated how small businesses were heavily challenged during the COVID-19 pandemic applying for Payroll Protection Program loans and while others did not survive the economic decline. Additionally, given the large proportion of immigrant population in the area, non-banked consumers are underserved. Additional needs include technical assistance to small businesses, particularly non-English speakers such as Spanish and Portuguese. Financial education that includes wealth building in addition to basic financial literacy is also needed.

Credit Needs

Examiners considered information gathered from the community contact and the bank, as well as available economic and demographic data, to determine the assessment area's primary credit needs. Based on the assessment area's high housing costs, examiners determined that loans to assist lower income individuals to purchase a home is a credit need, and financing for the development of affordable housing units are a primary need. Additionally, there are opportunities in the area for consumer and small business financial literacy.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Washington Savings Bank demonstrated excellent performance under the Lending Test. Geographic Distribution, Borrower Profile performance, and the Loan-to-Deposit Ratio primarily support this conclusion. The following sections address overall bank performance for each Lending Test component.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s quarterly net LTD ratio, calculated from Call Report data, averaged 96.9 percent over the last 21 calendar quarters from March 31, 2018, to March 31, 2023. The ratio ranged from a low of 90.4 percent as of March 31, 2022, to a high of 106.6 percent as of December 31, 2018.

Examiners compared the bank’s average LTD ratio to that of three similarly situated institutions. Examiners selected similarly situated institutions based on asset size, lending focus, and geographic location. The following table shows that Washington Savings Bank’s ratio was above that of all three similarly situated institutions, demonstrating its more than reasonable performance.

Loan-to-Deposit (LTD) Ratio Comparison		
Institution	Total Assets as of 3/31/2023 (\$000s)	Average Net LTD Ratio (%)
Washington Savings Bank	280,346	96.9
BankGloucester	385,870	94.8
Wakefield Co-operative Bank	307,971	87.3
Marblehead Bank	271,136	85.3
<i>Source: Reports of Condition and Income 03/31/2018 – 03/31/2023</i>		

Assessment Area Concentration

During the two-year period analyzed, Washington Savings Bank originated a majority of its home mortgage loans, by number and dollar volume, within the assessment area. Please refer to the following table for totals by year.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	123	75.9	39	24.1	162	37,653	66.5	18,927	33.5	56,580
2022	77	74.8	26	25.2	103	28,316	73.3	10,299	26.7	38,615
Total	200	75.5	66	24.5	265	65,969	69.3	29,226	30.7	95,195
<i>Source: Bank Data; Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's performance in both 2021 and 2022, lending in low-income census tracts significantly outperformed the aggregate and demographic data. In 2021, the bank's performance was more than double that of the aggregate and triple that of demographic data. In 2022, the bank's performance was more than three times that of aggregate and slightly less than five times that of aggregate data. Also, in both 2021 and 2022, the bank's lending in moderate-income census tracts exceeded both the aggregate and demographic data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	5.7	7.6	23	18.9	9,615	25.6
2022	4.1	5.9	15	19.5	9,284	32.8
Moderate						
2021	18.7	17.7	38	31.1	10,768	28.7
2022	22.1	23.7	26	33.8	9,195	32.5
Middle						
2021	52.5	50.6	49	40.2	12,752	34.0
2022	46.0	43.7	34	44.2	9,315	32.9
Upper						
2021	23.1	24.2	12	9.8	4,381	11.7
2022	27.8	26.7	2	2.6	522	1.8
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
Totals						
2021	100.0	100.0	122	100.0	37,517	100.0
2022	100.0	100.0	77	100.0	28,316	100.0
<i>Source: 2015 ACS and 2020 US Census; Bank Data, 2021 and 2022 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of home mortgage loans reflects excellent penetration among individuals of different income levels.

The bank’s performance in lending to low-income borrowers exceeded aggregate performance by roughly double in 2021 and more than twice as much in 2022. Additionally, in 2022, the bank’s performance was roughly in line with demographic data.

WSB’s performance in lending to moderate-income borrowers exceeded the aggregate in 2021 and was above the demographic data in 2021 and 2022. The bank’s performance was below that of aggregate in 2022.

The bank was a leader in lending to low-income borrowers within the assessment area during the evaluation period, further demonstrating excellent performance. In 2022, the bank ranked 6th out of 120 lenders and was the top-ranked community bank in lending to low-income borrowers. While below aggregate in 2022, the bank was tied for 15th out of 192 lenders in lending to moderate-income borrowers, while the top ten lenders made up 41.9 percent of the overall market. Of the institutions that had a greater market share than WSB, all were large depository institutions or national mortgage lenders, including Jeanne D ‘Arc Credit Union; Rocket Mortgage LLC; and Citizens Bank, NA.

The following table illustrates the bank’s home mortgage lending by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level							
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%	
Low							
2021	25.5	9.6	23	18.7	4,553	12.1	
2022	25.4	11.1	18	23.4	4,463	15.8	
Moderate							
2021	18.2	23.4	33	26.8	8,259	21.9	
2022	18.4	25.8	16	20.8	3,812	13.5	
Middle							
2021	21.4	24.4	25	20.3	7,633	20.3	
2022	22.9	25.3	8	10.4	1,975	7.0	
Upper							
2021	35.0	28.4	23	18.7	7,724	20.5	
2022	33.3	25.6	15	19.5	4,355	15.4	
Not Available							
2021	0.0	14.3	19	15.4	9,484	25.2	
2022	0.0	12.1	20	26.0	13,711	48.4	
Totals							
2021	100.0	100.0	122	100.0	37,653	100.0	
2022	100.0	100.0	77	100.0	28,316	100.0	

Source: 2015 ACS and 2020 US Census; Bank Data, 2021 and 2022 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%

Response to Complaints

The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the bank's CRA rating.

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. Examiners conducted the fair lending review in accordance with the FFIEC Interagency Fair Lending Examination Procedures.

Minority Application Flow

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

According to 2020 ACS U.S Census data, the bank's assessment area contained a total population of 270,508 individuals. The assessment area's minority and ethnic population is 11.9 percent Hispanic or Latino, 5.4 percent Black/African American, 14.8 percent Asian, and 13.9 percent other.

The bank's level of applications was compared 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.

In 2021, the bank received 158 home mortgage loan applications from within its assessment area. Of these applications, 33, or 20.9 percent, were received from racial minority applicants, of which 21, or 63.6 percent, resulted in originations. The aggregate received 19.2 percent of its applications from minority consumers, of which 63.2 percent were originated. For the same period, the bank also received seven applications, or 4.4 percent, from ethnic groups of Hispanic origin within its assessment area. All of these applications were originated, compared with an aggregate application rate of 7.7 percent with a 62.0 percent origination rate.

In 2022, the bank received 96 home mortgage loan applications from within its assessment area. Of these applications, 15, or 15.6 percent were received from racial minority applicants, of which 10, or 66.7 percent, resulted in originations. The aggregate received 21.7 percent of its applications from minority consumers, of which 56.8 percent were originated. For the same period, the bank also received four applications, or 4.2 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, one, or 25.0 percent, was originated, compared with an aggregate application rate of 9.6 percent with a 59.0 percent origination rate. Aggregate data in the assessment area showed an increasing trend over 2021 and 2022.

The bank employs individuals able to provide translation assistance in several languages, including Spanish, Khmer, Portuguese, Hindi, and French.

Refer to the table below for information on the bank’s minority application flow as well as the aggregate lenders in the bank’s assessment area.

MINORITY APPLICATION FLOW						
RACE	2021		2021 Aggregate Data	2022		2022 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	1	0.6	0.2	0	0.0	0.3
Asian	24	15.2	13.6	12	12.5	14.7
Black/ African American	7	4.4	3.7	1	1.0	4.9
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0	0.2
2 or more Minority	0	0.0	0.2	0	0.0	0.1
Joint Race (White/Minority)	1	0.6	1.3	2	2.1	1.6
Total Racial Minority	33	20.9	19.2	15	15.6	21.7
White	99	62.7	55.5	54	56.3	55.2
Race Not Available	26	16.5	25.3	27	28.1	23.2
Total	158	100.0	100.0	96	100.0	100.0
ETHNICITY						
Hispanic or Latino	5	3.2	6.4	3	3.1	8.1
Joint (Hisp/Lat /Not Hisp/Lat)	2	1.3	1.3	1	1.0	1.6
Total Ethnic Minority	7	4.4	7.7	4	4.2	9.6
Not Hispanic or Latino	123	77.9	67.3	64	66.7	67.8
Ethnicity Not Available	28	17.7	25.1	28	29.2	22.6
Total	158	100.0	100.0	96	100.0	100.0

Source: ACS Census 2010 and 2020, HMDA Aggregate Data 2021 and 2022, HMDA LAR Data 2021 and 2022

Considering the demographic composition of the assessment area, market competition, and comparisons to aggregate data in 2021 and 2022, the bank’s application and origination rate to racial and ethnic minorities is considered adequate.

QUALIFIED LENDING INVESTMENTS AND SERVICES

Pursuant to 209 CMR 46.61(6)(b)(2), a small institution that is not an intermediate small institution and meets each of the standards for a "satisfactory" rating under the lending test and exceeds some or all of those standards may warrant consideration for an overall rating of "outstanding." In assessing whether an institution's performance is "outstanding," examiners consider the extent to which the institution exceeds each of the performance standards for a "satisfactory" rating and its performance in making qualified investments and its performance in providing branches and other services and delivery systems that enhance credit availability in its assessment area.

Examiners concluded that Washington Savings Bank met the standards for a satisfactory rating under the Lending Test and exceeded that standard under the Loan-to-Deposit, Geographic Distribution, and Borrower Profile criteria. Therefore, at the request of bank management, the Division reviewed the bank’s community development loans, qualified investments, and community development services for CRA purposes. Examiners considered the institution’s capacity and the need and availability of such opportunities and concluded that the review supported the overall rating.

Community Development Loans

During the evaluation period, the bank originated 34 community development loans for \$3.0 million.

The following loans were made for community development purposes.

- In 2020 and 2021, the bank originated 31 SBA PPP loans totaling \$829,066 in low- and moderate -income census tracts in response to the COVID-19 pandemic. Examiners considered these loans responsive as they helped revitalize and stabilize low- and moderate-income census tracts and assisted with the retention of low- and moderate-income jobs by supporting businesses impacted by the COVID-19 pandemic.
- In 2019, the bank originated a \$1.4 million loan for the construction of a 21-unit apartment complex in a low-income census tract in Lowell. Th development of the project was coordinated with the City of Lowell and MassDevelopment. This loan helped revitalize a low-income area within the bank’s assessment area.
- In 2019, the bank originated two loans for a combined qualified amount of \$776,870. The loans funded the construction of a 23-unit condominium development outside of the bank’s assessment area in Harvard. Of the 23 units, 6 are set aside as affordable units and sold at a reduced price. This loan helped provide affordable housing outside of the bank’s assessment area.

Qualified Investments

During the evaluation period, the bank made 201 qualified investments for \$226,115, all of which came in the form of charitable grants and donations.

The following are notable examples of organizations that have received qualified contributions from the bank.

- **The Lowell Plan** – The Lowell Plan is a non-profit organization that revitalizes and stabilizes Lowell, primarily a low- and moderate-income area, by promoting it as a place to live, play, and work. The Lowell Plan's mission is to facilitate change by fostering collaboration across private, non-profit, and public sectors in Lowell. The bank’s continued annual support throughout the evaluation period was responsive to area revitalization and stabilization needs as these revolving funds become reinvested in area loans and projects.
- **Merrimack Valley Food Bank (MVFB)** – The Merrimack Valley Food Bank is a community-supported non-profit organization providing nutritious food and personal care items to emergency feeding programs serving the low-income, homeless, and hungry through food pantries, shelters, a mobile pantry, and meal programs. The bank’s multiple donations throughout the examination period were responsive to food security needs in the assessment area, particularly during the COVID-19 pandemic.
- **Coalition for a Better Acre** – The Coalition for a Better Acre is a community development

corporation dedicated to revitalizing and stabilizing Lowell and the Merrimack Valley. The Coalition for a Better Acre promotes healthy and vibrant neighborhoods by developing affordable housing and economic opportunities. The bank's multiple annual support was responsive to community service needs in the area throughout the evaluation period.

- **Lowell Community Health Care** – The Lowell Community Health Center serves the communities of Greater Lowell providing primary health care, dental services, and eye care regardless of ability to pay. The bank's multiple donations during the evaluation period supported community service needs in the assessment area, in particular, a 2018 donation supported the organization's renovation campaign to add 65,000 square feet of service space for greater Lowell lower-income residents. The bank's involvement with this organization helped provide community services to the assessment area's low- and moderate-income residents.

Community Development Services

During the evaluation period, bank employees provided 95 instances of financial expertise or technical assistance to 21 community development-related organizations that operate in the bank's assessment area.

Below are some notable examples of the bank's community development services and employee involvement.

Employee Involvement

- **Cambodian Mutual Assistance Association (CMAA)** - The CMAA is dedicated to improving the quality of life for Cambodian Americans and other minorities and economically disadvantaged persons in Lowell through educational, cultural, economic, and social programs. The organization offers services such as after-school programs, citizenship preparation classes, and first-time homebuyer assistance. During the evaluation period, an officer at the bank served in multiple roles at the organization, including on the organization's Board of Directors, as Treasurer, and as the Chair of the Fundraising committee. The bank's involvement with this organization helped provide community services to the assessment areas low- and moderate-income families and individuals within the bank's assessment area.
- **Common Ground Development** – This non-profit affordable housing organization works to produce and maintain affordable housing in the Merrimack Valley, including within the bank's assessment area. During the evaluation period, the President of the bank served as the organization's Treasurer. The bank's involvement with this organization helped expand and maintain affordable housing within the bank's assessment area.
- **Alternative House** – This non-profit domestic violence organization provides a variety of supportive services to victims of domestic violence. Services include emergency shelter, transitional living, permanent affordable housing, rental assistance, legal advocacy, counseling, child services, and more. A manager at the bank served on the organization's Board of Directors and as Treasurer during the evaluation period. The bank's involvement with this organization helped provide community services to low- and moderate-income families and individuals within the bank's assessment area.

Financial Literacy

- **Merrimack Valley Housing Partnership** – The Merrimack Valley Housing Partnership promotes responsible and sustainable home ownership opportunities for low-and moderate-income earners by producing comprehensive first-time homebuyer seminars and counseling programs. During the evaluation period, a Senior Mortgage Originator at the bank presented at a First-time Homebuyer seminar in 2019, and a Senior Mortgage Originator and Loan Officer presented a seminar in 2020.

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.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.