

PUBLIC DISCLOSURE

January 14, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Wrentham Co-operative Bank
Certificate Number: 26576

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Wrentham, MA 02093

Division of Banks
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Federal Deposit Insurance Corporation
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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
Scope of Evaluation	2
Description of Institution	3
Description of Assessment Area	4
Conclusions on Performance Criteria	7
Discriminatory or Other Illegal Credit Practices Review	10
Division of Banks Fair Lending Policies and Procedures	11
Glossary	13

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated: Satisfactory.

An institution in this group has a satisfactory record of helping to meet the credit needs of its entire assessment area, including low- and moderate-income individuals and neighborhoods, as applicable, in a manner consistent with its resources and capabilities.

The assigned rating is based on the following factors:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank originated a majority of its residential loans inside its assessment area during the evaluation period.
- The geographic distribution of lending within the assessment area was given limited weight since the bank's assessment area is composed entirely of middle- and upper-income census tracts. No conspicuous lending gaps were identified.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

SCOPE OF EVALUATION

The evaluation covers the period from the prior evaluation dated July 8, 2013, to the current evaluation dated January 14, 2019. Examiners used the Small Institution Examination Procedures to evaluate the bank's CRA performance. A "Small Bank" is an institution that, as of December 31 of both the two prior calendar years, had assets of less than \$321 million. The CRA Small Bank Lending Test includes an analysis of five performance criteria: (1) loan-to-deposit ratio, (2) assessment area concentration, (3) geographic distribution, (4) borrower distribution, and (5) response to written complaints.

The bank's primary lending focus is residential home mortgage lending. Examiners considered the bank's lending activity during the evaluation period, the composition of the loan portfolio, and discussions with management in reaching this conclusion. The CRA evaluation includes an analysis of the bank's residential loan data for 2016 and 2017.

Home mortgage loan data was obtained from the bank's 2016 and 2017 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank reported 90 loans totaling \$15.4 million in 2016 and 88 loans totaling \$9.8 million in 2017. Aggregate market data for 2016 and 2017 was used for comparative purposes to measure the bank's level of performance with respect to the Borrower Profile criteria. As the bank's assessment area contains no low- or moderate-income census tracts, geographic distribution received minimal consideration.

Small business loans (commercial real estate and commercial and industrial loans) and consumer loans were not considered in this evaluation, as these loans constitute only a small portion of the bank's loan portfolio and lending activity overall. Small farm loans were not included in the analysis, as the bank did not originate any loans of this type during the review period.

Demographic information referenced in this evaluation was obtained using two different data sets: 2010 United States (US) Census data, against which 2016 lending data is compared; and, 2015 American Community Survey (ACS) data, against which 2017 lending data is compared.

Although the total dollar amounts of loans are discussed, the evaluation focuses on the bank's lending performance by the number of loans originated during the review period.

Financial information was obtained from the September 30, 2018 Report of Condition and Income (Call Report).

DESCRIPTION OF INSTITUTION

Background

Wrentham Co-operative Bank (Wrentham), founded in 1901, is headquartered in downtown Wrentham Massachusetts. The bank wholly owns one subsidiary, Wrentham Corporation One, which is used to hold a portion of the bank's portfolio. The bank primarily serves the six towns that comprise its assessment area in Norfolk County.

The prior FDIC evaluation was conducted on July 8, 2013 and resulted in an overall rating of "Satisfactory". There are currently no financial or legal impediments that would inhibit the bank from meeting the credit needs of its assessment area.

Operations

The bank operates two locations in Wrentham, Massachusetts, both in upper-income census tracts. The bank has not opened or closed any branch locations since the previous evaluation. The bank's lending strategy is focused on home mortgage lending. However, the bank will extend credit for commercial and consumer purposes. In addition to lending products, the bank offers a variety of deposit products including savings, checking, money market, and certificate of deposit accounts. To augment in-person branch services, the bank offers alternative delivery services including online banking and automated teller machines (ATMs) at the branch locations.

Ability and Capacity

As of September 30, 2018, the bank's total assets were \$116.3 million. Total assets increased approximately 6.9 percent since March 31, 2013, the Call Report date used for the prior CRA evaluation. According to the September 30, 2018 Call Report, loans accounted for approximately 66.8 percent of assets; an increase from 54.4 percent at the previous evaluation.

Loan Portfolio Distribution as of 09/30/2018		
Loan Category	\$(000s)	%
Construction and Land Development	0	0.0
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	74,389	95.7
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	1,311	1.7
Total Real Estate Loans	75,700	97.3
Commercial and Industrial Loans	144	0.2
Agricultural Loans	0	0.0
Consumer Loans	2,046	2.6
Other Loans	0	0.0
Less: Unearned Income	121	0.2
Total Loans	77,769	100.0
<i>Source: Reports of Condition and Income</i>		

The above table shows the bank's loan portfolio is significantly concentrated in residential real estate secured lending at 95.7 percent of total loans. Loans secured by commercial real estate represent only 1.7 percent of the portfolio and consumer loans represent 2.6 percent of the portfolio.

DESCRIPTION OF ASSESSMENT AREA

Wrentham Co-operative Bank designated its assessment area to include towns in Norfolk County, which is in Boston Metropolitan Division (MD) 14454. Boston MD 14454 is part of the larger Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA) 14460. The bank's assessment area includes the towns of Wrentham, Plainville, Franklin, Norfolk, Foxboro, and Bellingham.

The U.S. Census Bureau collects most of the demographic data that agencies use in completing CRA performance evaluations. The U.S. Census Bureau updates census data every five years, and the 2015 ACS provided updated demographic data as of 2017. The evaluation used demographic data from the 2010 U.S. Census when assessing 2016 lending, and used 2015 ACS data when assessing 2017 lending.

The following sections describe economic and demographic information for the assessment area.

Economic and Demographic Data

The 2017 assessment area comprises 16 census tracts that reflect the following income designations according to the 2015 ACS:

- 12 upper-income census tracts
- 4 middle-income census tracts

The number of census tracts did not change from the 2010 U.S. Census to the 2015 ACS. However, three census tracts had a change in income designation; one tract in Foxboro transitioned from upper- to middle-income and one tract in both Franklin and Plainville changed from middle- to upper-income.

The following table illustrates 2015 ACS demographic information for the bank's assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	0.0	25.0	75.0	0.0
Population by Geography	98,338	0.0	0.0	29.0	71.0	0.0
Housing Units by Geography	35,672	0.0	0.0	30.1	69.9	0.0
Owner-Occupied Units by Geography	27,029	0.0	0.0	28.4	71.6	0.0
Occupied Rental Units by Geography	7,121	0.0	0.0	36.0	64.0	0.0
Vacant Units by Geography	1,522	0.0	0.0	30.9	69.1	0.0
Businesses by Geography	7,283	0.0	0.0	24.0	76.0	0.0
Farms by Geography	214	0.0	0.0	21.5	78.5	0.0
Family Distribution by Income Level	24,980	10.8	12.4	20.6	56.2	0.0
Household Distribution by Income Level	34,150	15.2	11.2	15.6	58.0	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$371,809
			Median Gross Rent			\$1,200
			Families Below Poverty Level			2.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area contains 35,672 housing units, which are concentrated in the upper-income census tracts. The median housing value is \$371,809 in 2017, and the owner-occupancy rate is 75.8 percent. There are 24,980 families in the assessment area, of which 2.3 percent are below the poverty level.

Table B – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA MD Median Family Income (14454)				
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
<i>Source: FFIEC</i> <i>Due to rounding, totals may not equal 100.0</i>				

According to the U.S. Bureau of Labor Statistics, the 2017 year-end unemployment rate was 3.3 percent for Norfolk County, compared to 3.7 percent statewide and 4.4 percent nationwide. Unemployment rates have decreased since the previous evaluation.

Competition

Wrentham operates in a highly competitive mortgage market. In 2016 there were 311 lenders reporting home mortgage data in the assessment area; Wrentham ranked 21st with a 1.2 percent market share. Wrentham originated or purchased 56 of the 4,717 reported home mortgage loans in the assessment area, or \$6.5 million of the \$1.6 billion in production for 2016.

In 2017 there were 271 lenders that reported home mortgage originations or purchases in the assessment area; Wrentham ranked 12th with a 1.6 percent market share. Wrentham originated or purchased 58 of the 4,909 loans in the assessment area, representing \$5.0 million of the roughly \$1.5 billion of total reported production.

Competition is also elevated for deposit services. According to FDIC Deposit Market Share data as of June 30, 2018, there were 13 institutions in the assessment area operating from 30 locations. Wrentham ranks 9th of the 13 institutions with 4.9 percent of the deposit market share. A majority of the deposit market share is captured by the top four institutions, all of which are large national banks.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help assess credit and community development needs. The information obtained helps determine whether local financial institutions are responsive to these needs and shows what credit and community development opportunities, if any, are available.

Examiners contacted a representative from a local housing agency within the bank's assessment area. The organization's primary purpose is providing affordable housing to low- and moderate-income individuals, as well as the elderly. The contact indicated that more affordable housing was needed, particularly for those on fixed incomes such as social security. Considering information gathered from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing represents a primary need for the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA

Loan-to-Deposit (LTD) Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 73.1 percent over the past 21 calendar quarters from September 30, 2013, to September 30, 2018. The ratio ranged from a low of 69.3 percent as of March 31, 2014, to a high of 77.5 percent as of September 30, 2018. The ratio has generally trended upward; 12 of the 31 quarters showed an increase over the prior quarter. Wrentham maintained a ratio similar to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 09/30/2018 (\$000s)	Average Net LTD Ratio (%)
Wrentham Co-operative Bank	116,287	73.1
Stoughton Co-operative Bank	114,163	79.4
Bank of Easton	138,626	69.0
Foxboro Federal Savings Bank	167,656	69.8
<i>Source: Reports of Condition and Income 09/30/2013 through 09/30/2018</i>		

Assessment Area Concentration

Wrentham Co-operative Bank made a majority of its home mortgage loans inside the assessment area. The below table captures the bank's performance by both number of loans and total dollar amount for 2016 and 2017 home mortgage lending. While the total dollar amount of loans inside the assessment area is less than a majority for the evaluation period, greater weight is placed on the number of loans as this better represents the number of individuals to whom credit was extended.

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										
2016	56	62.2	34	37.8	90	6,514	42.2	8,940	57.8	15,454
2017	58	65.9	30	34.1	88	4,940	50.5	4,833	49.5	9,773
Total	114	64.0	64	36.0	178	11,454	45.4	13,773	54.6	25,227
<i>Source: Evaluation Period: 1/1/2016 - 12/31/2017 Bank Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

The geographic distribution of loans is reviewed to assess how well the bank is addressing the credit needs of geographies of different income levels, particularly those of low- and moderate-income. As Wrentham's assessment area is composed entirely of middle- and upper-income census tracts, this criterion was assigned limited weight in arriving at the overall CRA rating.

In 2016 and 2017, Wrentham originated residential loans in a majority of the census tracts within the assessment area. The distribution of loans was reasonable, overall, and no conspicuous lending gaps were noted.

Borrower Profile

This criterion assesses the bank's performance of addressing the credit needs of borrowers of different income levels, particularly those of low- or moderate-income. The distribution of loans reflects reasonable penetration among borrowers of different income levels. The below table illustrates the distribution of residential mortgages by borrower income level within the assessment area. Aggregate and demographic data are also presented for comparison purposes.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Wrentham AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	12.9	3.1	3	5.4	88	1.4
2017	10.8	3.9	3	5.2	61	1.2
Moderate						
2016	13.4	12.9	7	12.5	166	2.5
2017	12.5	15.2	4	6.9	36	0.7
Middle						
2016	21.6	21.6	8	14.3	250	3.8
2017	20.6	24.8	11	19.0	1,198	24.3
Upper						
2016	52.0	49.7	38	67.9	6,010	92.3
2017	56.2	45.3	40	69.0	3,645	73.8
Not Available						
2016	0.0	12.7	0	0.0	0	0.0
2017	0.0	10.8	0	0.0	0	0.0
Totals						
2016	100.0	100.0	56	100.0	6,514	100.0
2017	100.0	100.0	58	100.0	4,940	100.0
<i>Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 12/31/2017 Bank Data, 2016 & 2017 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0</i>						

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. In 2016, the bank originated three loans to low-income borrowers, accounting for 5.4 percent of the bank's total loans. The bank's lending to low-income borrowers exceeded the aggregate performance and fell behind demographic data. In 2017, the bank again originated three loans to low-income borrowers. This represented 5.2 percent of total loans and was again higher than aggregate performance and below the demographics.

In 2016, Wrentham ranked 18th of 65 lenders with a 2.1 percent market share for lending to low-income individuals in the assessment area. In 2017, Wrentham ranked 14th of 70 lenders for low-income borrower lending inside the assessment area and again captured a 2.1 percent market share. For both 2016 and 2017 the bank trailed mostly large national lenders in this category.

The bank originated seven loans to moderate-income borrowers in 2016, totaling 12.5 percent of total loans, which was fairly consistent with both the aggregate performance and the demographic data. In 2017, the bank only originated four loans to moderate-income individuals and consequently trailed the aggregate production by 8.3 percentage points and demographic data by 5.6 percent.

In 2016, Wrentham ranked 26th of 144 lenders with a 0.1 percent market share for lending to moderate-income individuals in the assessment area. In 2017, Wrentham ranked 46th of 125 lenders for moderate-income borrower lending inside the assessment area and again captured 0.1 percent market share. For both 2016 and 2017 the bank trailed mostly large national lenders in this category.

Response to Complaints

Wrentham did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDIX A

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2016 and 2017 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2015 American Consumer Survey, in 2017 the bank's assessment area contained a total population of 95,338 individuals of which 8.3 percent are minorities. The assessment area's minority and ethnic population is 1.5 percent Black/African American, 2.7 percent Asian, 0.1 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 2.5 percent Hispanic or Latino and 1.5 percent other.

In 2016, the bank received 61 HMDA reportable loan applications from within its assessment area. Of these applications, 3 or 4.9 percent were received from minority applicants and all applications resulted in originations. The aggregate received 6,328 HMDA reportable loan applications of which 384 or 5.9 percent were received from minority applicants and 279 or 72.6 percent were originated. For the same time period, the bank also received 2 or 3.3 percent of applications from ethnic groups of Hispanic origin within its assessment area and both applications were originated versus the aggregate that received 150 applications or 2.3 percent of which 92 or 61.3 percent were originated.

In 2017, the bank received 69 HMDA reportable loan applications from within its assessment area. Of these applications, 2 or 2.9 percent were received from minority applicants, of which 1 or 50.0 percent resulted in an origination. The aggregate received 4,840 HMDA reportable loan applications of which 286 or 5.7 percent were received from minority applicants and 209 or 73.0 percent were originated. For the same time period, the bank received no applications from ethnic groups of Hispanic origin within its assessment area. The aggregate received 129 applications or 2.7 percent of which 88 or 68.2 percent were originated.

The bank's level of lending was compared with that of the aggregate's lending performance level for 2016 and 2017. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants. Refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	Bank 2016		2016 Aggregate Data	Bank 2017		2017 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.1	0	0.0	0.1
Asian	3	4.9	3.5	2	2.9	3.1
Black/ African American	0	0.0	1.1	0	0.0	1.4
Hawaiian/Pacific Islander	0	0.0	0.0	0	0.0	0.0
2 or more Minority	0	0.0	0.0	0	0.0	0.0
Joint Race (White/Minority)	0	0.0	1.2	0	0.0	1.1
Total Minority	3	4.9	5.9	2	2.9	5.7
White	53	86.9	75.1	63	91.3	73.7
Race Not Available	5	8.2	19.0	4	5.8	20.6
Total	61	100.0	100.0	69	100.0	100.0
ETHNICITY						
Hispanic or Latino	0	0.0	1.4	0	0.0	1.4
Not Hispanic or Latino	53	86.9	78.5	65	94.2	76.9
Joint (Hisp/Lat /Not Hisp/Lat)	2	3.3	0.9	0	0.0	1.3
Ethnicity Not Available	6	9.8	19.1	4	5.8	20.4
Total	61	100.0	100.0	69	100.0	100.0

Source: US Census 2010, HMDA Aggregate Data 2016, HMDA LAR Data 2016 and 2017

Considering the demographic composition of the assessment area and comparisons to aggregate data in 2016 and 2017, the bank's minority application flow is reasonable.

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.

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).

Family Income: Includes the income of all members of a family that are age 15 and older.

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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 (for example, 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.

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: 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.

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.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Deposit Insurance Corporation, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.