

PUBLIC DISCLOSURE

December 15, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

UniBank for Savings

Certificate # 90290

49 Church Street

Whitinsville, MA 01588

Division of Banks

1000 Washington Street, 10th Floor

Boston, Massachusetts 02118

Federal Deposit Insurance Corporation

350 Fifth Avenue, Suite 1200

New York, New York 10118

<p>NOTE: This document is an evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations 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.</p>

TABLE OF CONTENTS

I.	General Information	1
II.	Institution Rating	
	A. Overall Rating	2
	B. Performance Test Ratings Table	2
	C. Summary of Major Factors Supporting Rating.....	2
III.	Institution	
	A. Description of Institution	4
	B. Description of Assessment Area	5
	C. Scope of Examination	9
	D. Conclusions with Respect to Performance Tests	
	1. Lending Test	10
	2. Investment Test	19
	3. Service Test.....	21
	E. Fair Lending or Other Illegal Credit Practices Review	25
IV.	Appendices	
	A. Division of Banks – Minority Application Flow	A-1
	B. Scope of Examination	A-3
	B. Glossary	A-4

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) and the Federal Deposit Insurance Corporation (FDIC) to use their authority when examining financial institutions subject to their supervision, to assess the 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. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **UniBank for Savings (UniBank or the Bank)**, prepared by the **Division and the FDIC**, the institution's supervisory agencies, as of **December 15, 2014**. The agencies evaluate performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division and FDIC rate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and in Appendix A to 12 CFR Part 345.*

INSTITUTION'S CRA RATING

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

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

The following table indicates the performance level of the institution with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	<u>UNIBANK FOR SAVINGS</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Satisfactory **	X	X	X
Needs to Improve			
Substantial Noncompliance			

** Note: The agencies place more weight on the Lending Test when arriving at an overall rating*

***Note: FDIC rules and regulations stipulate use of a "High Satisfactory" and "Low Satisfactory" rating for the three tests. For purposes of this jointly issued public evaluation, the term "Satisfactory" will be used in lieu of the "Low Satisfactory" rating for the Lending, Investment, and Service Test ratings.*

LENDING TEST

The Lending Test is rated Satisfactory.

- The Bank's lending levels reflect good responsiveness to assessment area credit needs.
- An adequate percentage of residential and small business loans are made in the assessment area.
- The geographic distribution of loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different size.

- The Bank made an adequate level of community development loans.
- The Bank makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

INVESTMENT TEST

The Investment Test is rated Satisfactory.

- The Bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The Bank exhibits adequate responsiveness to credit and community development needs.
- The Bank occasionally uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

The Service Test is rated Satisfactory.

- The Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area.
- To the extent changes have been made, the Bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies and/or to low- and moderate-income individuals.
- The Bank's services and business hours do not vary in a way that inconveniences any portions of the assessment area, particularly low- and moderate-income individuals and/or geographies.
- The institution provided an adequate level of community development services. Bank management and employees developed and participated in educational seminars.

PERFORMANCE CONTEXT

Description of Institution

UniBank for Savings was established on January 19, 1988, following the merger of the Uxbridge Savings Bank, incorporated in 1870, and Whitinsville Savings Bank, incorporated in 1873. The surviving charter was that of Uxbridge Savings Bank, renamed UniBank for Savings. UniBank is a stock savings bank, wholly-owned by UFS Bancorp, a mutual holding company. The Bank operates four wholly-owned subsidiaries: UniBank Securities Corporation, a securities corporation; UniBank Fiscal Advisory Services, Inc. (“UFASI”) provides debt management services to towns, school districts, non-profits, and other government units; UniPay Direct markets a bill payment product to financial institutions located outside of Massachusetts; and Tommark, Inc., d/b/a Sterling Associates originates marine and manufactured housing loans for client lenders. In addition, Tommark Insurance is a subsidiary of Sterling Associates that provides advisory services, but is currently inactive.

The Bank offers products and services through its main office, which is headquartered at 49 Church Street, in Whitinsville, Massachusetts. Including the main office, the Bank operates 11 full-service branches in the Massachusetts communities of Blackstone, Douglas, Grafton, Milford, Sutton, Upton, Uxbridge, Whitinsville (2 branches), and Worcester (2 branches). The main office and all branches are located in Worcester County. Based on the 2010 Census data, of the 11 full-service locations, none are located in low-income census tracts, two (18.2 percent) are in moderate-income tracts, three (27.3 percent) are in middle-income tracts, and six (54.5 percent) are in upper-income tracts. The two branches in Worcester and one in Grafton are the most recent additions to the branch network, having opened since the prior CRA evaluation dated August 22, 2011. Automated teller machines (ATMs) are located in each banking office; there are no remote ATMs.

The Bank offers a variety of loan products including residential real estate, commercial real estate, commercial and industrial loans, Small Business Administration (SBA) commercial loans, loans secured by investment properties, home equity lines of credit, construction loans, and consumer loans. Additionally, the Bank offers standard deposit products for consumers and commercial customers.

As of September 30, 2014, the Bank had total assets of \$1.5 billion, total loans of \$996.9 million, and total deposits of \$1.3 billion. Total assets increased approximately 18.5 percent since the previous evaluation. The Bank’s loan portfolio grew at a more rapid pace, increasing approximately 71.9 percent during the same period. Loans represent approximately 66.7 percent of the Bank’s total assets. Table 1 shows the distribution of the Bank’s loan portfolio.

Table 1 - Loan Portfolio as of September 30, 2014		
Loan Type	Dollar Amount \$('000s)	Percent of Total Loans (%)
1-4 Family Residential Construction Loans	9,530	1.0
Other Construction Loans and All Land Development and Other Land Loans	34,530	3.5
Secured by Farmland	0	0.0
Revolving, Open-end Loans Sec. by 1-4 Fam. Res. Props & Extended Under LOC	47,537	4.8
Closed-end Loans Secured by 1-4 Family Residential Prop: Secured by First Liens	284,830	28.6
Closed-end Loans Secured by 1-4 Family Residential Prop: Secured by Jr. Liens	4,660	0.5
Secured by Multi-Family (5 or more) Residential Properties	12,378	1.2
Secured by Owner-Occupied Nonfarm Nonresidential Properties	83,656	8.4
Secured by Other Nonfarm Nonresidential Properties	130,455	13.1
Total Real Estate Loans	607,576	60.9
Commercial and Industrial	101,577	10.2
Loans to Individuals for Household, Family, or Other Personal Expenditures (Consumer Loans)	287,793	28.9
Total Loans	996,946	100.0

Source: Report of Condition and Income (Call Report)

As the data in Table 1 shows, the Bank is predominantly a real estate lender with real estate loans representing 60.9 percent of its loan portfolio. The greatest share of the real estate loan portfolio is secured by one-to-four family residential properties. These loans include closed-end mortgage loans (including junior liens), as well as revolving open-end loans at 33.8 percent. Commercial real estate lending and consumer loans also play a significant role in the Bank's lending business, representing 21.5 and 28.9 percent of the loan portfolio, respectively. The commercial real estate loans are typically collateralized by properties used for the borrowers' businesses, such as small office buildings, warehouses, and retail facilities. Consumer loans include single payment, installment, and all student loans. Other miscellaneous forms of credit comprise the balance of the loan portfolio.

The FDIC and the Division last evaluated the Bank's CRA performance on August 22, 2011, and assigned an overall rating of "Satisfactory." Intermediate Small Bank CRA Examination Procedures were used to evaluate the Bank's CRA performance at the prior evaluation. There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area(s) within which its CRA performance will be evaluated. The Bank's assessment area meets the technical requirements of the CRA. The assessment area encompasses 103 census tracts within Worcester County, which comprises the Worcester, MA Metropolitan Statistical Area (MSA). The assessment area consists of 24 cities and towns, including Auburn, Blackstone, Boylston, Douglas, Grafton, Holden, Hopedale, Leicester, Mendon, Milford, Millbury, Millville, Northborough, Northbridge, Oxford, Paxton, Shrewsbury, Sutton, Upton, Uxbridge, Webster, West Boylston, Westborough, and Worcester. The assessment area has changed since the previous evaluation because of the

Bank's opening three new branch offices. The total number of census tracts increased from 24 to 103, and the number of towns and cities increased from 13 to 24. Table 2 illustrates select demographic information for the assessment area.

Table 2 – Demographic Information for the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	*N/A % of #
Geographies (2013 Census Tracts)	103	11.6	19.4	39.8	27.2	2.0
Population by Geography	478,021	10.6	16.6	38.4	33.6	0.8
Owner-Occupied Housing by Geography	116,713	3.1	11.7	45.1	40.1	0.0
Businesses by Geography	37,710	11.9	14.4	37.8	35.7	0.1
Family Distribution by Income Level	118,891	21.3	16.4	21.5	40.8	0.0
Distribution of Low- and Moderate-income Families by Geography	44,860	18.9	24.2	36.8	20.1	0.0
Worcester, MA MSA Median Family Income (MFI)		\$79,121	Median Housing Value Unemployment Rate			\$295,187
FFIEC Adjusted MFI (2013)		\$81,300				7.9%
Families Below Poverty Level		7.3%				

Source: 2010 U.S. Census Data, 2013 FFIEC updated MFI, 2013 D&B business demographics, and December 2013 Bureau of Labor Statistics.

*The NA category consists of geographies that have not been assigned an income classification.

Population

According to the 2010 United States (U.S.) Census, the Bank's assessment area population totaled 478,021. Of this total population, 50,868 (10.6 percent) reside in the low-income census tracts, 79,317 (16.6) moderate-income census tracts, 183,575 (38.4 percent) reside in middle-income census tracts, 160,691 (33.6 percent) reside in upper-income census tracts, and 3,570 (0.8) reside in tracts with no income designation. The area consists of 118,891 family households, of which 25,360 (21.3 percent) are low-income, 19,500 (16.4 percent) are moderate-income, 25,562 (21.5 percent) are middle-income, and 48,469 (40.8 percent) are upper-income.

According to the 2010 U.S. Census data, 7.3 percent of family households within the Bank's assessment area fall below the federal poverty level. Considering the median housing value of \$295,187, low-income families, particularly those with incomes below the poverty level, would likely have difficulty obtaining a home mortgage loan under conventional underwriting standards. Many of these low-income families reside in Worcester and are concentrated in the middle of the city, which is heavily commercialized. Much of the housing in this area is rental apartment buildings, which limits the demand for home mortgage loans.

Geographies

The assessment area expanded since the last evaluation, adding 12 low-income, 5 moderate-income, 40 middle-income, and 21 upper-income tracts, as well as one census tract with no income designation. The current assessment area contains 12 (11.6 percent) census tracts that are low-income (all located in Worcester), 20 (19.4 percent) moderate-income, 41 (39.8 percent) middle-income, and 28 (27.2 percent) upper-income. The two census tracts with no income designation are located in Worcester and contain the campuses of the College of Holy Cross and Clark University. These facilities comprise the entire tracts and, due to the large student population, there are a very small number of households, which results in limited loan demand. The low-income census tracts are located in Worcester, while the moderate-income census tracts are located in Auburn, Milford, Northbridge, Webster, and Worcester.

Housing

The assessment area contains 194,265 total housing units, of which 116,713 (60.1 percent) are owner-occupied, 62,837 (32.3 percent) are occupied rental units, and 14,715 (7.6 percent) are vacant units. Of the owner-occupied housing units, only 3,631 (3.1 percent) are in the low-income census tracts, while 13,623 (11.7 percent) are in moderate-income census tracts. The small portion of owner-occupied units in low- and moderate-income tracts increases the competition for home mortgage loans in these areas. The median age of the housing stock was 50 years.

Unemployment

According to the Bureau of Labor Statistics, the unemployment rate in Massachusetts was 7.1 percent in 2013, compared to a rate of 7.9 percent for Worcester County during the same time period. This pace is consistent with the same period a year ago and is comparable to the 2013 national rate of 7.4 percent.

Business Data

Business data obtained from Dun & Bradstreet (D&B) show that there were 37,710 businesses (non-farm) in the assessment area in 2013, of which 71.5 percent had gross annual revenues (GARs) of \$1 million or less, 4.8 percent had GARs greater than \$1 million, and the remaining 23.7 percent had unreported revenues. Of total non-farm businesses in the assessment area, 11.9 percent are in low-income census tracts, 14.4 percent are in moderate-income census tracts, 37.8 percent are in middle-income tracts, 35.7 percent are in upper-income tracts, and less than one percent is in the tracts with no income designation. The data indicate that opportunities exist to make loans to small businesses throughout the assessment area, including in low- and moderate-income tracts.

The services industry contains the highest proportion of area businesses (45.0 percent). Retail trade (12.4 percent), non-classifiable establishments (12.0 percent), and construction (8.8 percent) businesses also have a presence in the assessment area. Approximately 65.7 percent of the area's businesses employ four or fewer people. The largest employers in the assessment area include University of Massachusetts Memorial Health Care and Medical School, Fallon Clinic, and Polar Beverages.

Competition

UniBank operates in a very competitive market area in terms of providing banking services. The Bank competes with many commercial banks, savings banks, credit unions, and other mortgage lenders for home mortgage loans. Among the more prominent mortgage lenders competing with the Bank are Wells Fargo Bank, NA, Milford Federal Savings and Loan, and Sovereign Bank N.A. According to 2012 Home Mortgage Disclosure Act (HMDA) data, 370 lenders originated or purchased one or more home mortgage loans in the assessment area. UniBank captured 3.4 percent of loan originations, which was the fourth highest of all lenders.

The Bank also competes with banks and other lenders for small business loans. The Bank captured 1.1 percent of the market and was ranked 16th out of 72 lenders. Most top lenders offer business credit card loans for smaller dollar amounts. The Bank does not offer this product.

According to FDIC Summary of Deposits as of June 30, 2014, there were 37 Banks with one or more branches in the assessment area. In addition to UniBank, Bank of America, NA; Commerce Bank and Trust Company; TD Bank, NA; Santander Bank, NA; and Citizens Bank, N.A. all had 10 or more branches in the assessment area.

Community Contact

As part of the evaluation process, third parties active in community affairs are contacted to assist in assessing the housing and general banking needs of the community. Relevant information obtained from such sources helps to determine whether local financial institutions are responsive to the credit and service needs of their communities and what further opportunities, if any, are available. A community contact was conducted with a Central Massachusetts agency that deals with housing advocacy and homelessness. The contact stated that homelessness and those losing their home continue to be big issues in Worcester and the surrounding communities. According to the contact, residents need funding to help cover short-term mortgage or rent shortfalls. Another issue facing homeless families is the lack of financial awareness. The contact indicated that financial education and counseling in shelters would be very beneficial to those seeking a way out of the cycle of homelessness.

Assessment Area Credit Needs

Based on information obtained from community contacts and Bank management, as well as demographic and economic data, the credit and community development needs of the Bank's assessment area are similar to those of many other metropolitan areas. The City of Worcester in particular has affordable housing needs and a high population of low- and moderate-income families. The city needs activities and projects to revitalize and stabilize low- and moderate-income geographies. Individuals and businesses in the assessment area have several credit needs. These include retail loan products to meet personal needs and home financing programs for the purchase, construction, improvement, or refinance of residential real estate. The area's businesses also require commercial credit options to meet a wide variety of financing purposes.

SCOPE OF EXAMINATION

The FDIC and Division used Large Bank procedures to evaluate the institution's performance under the CRA. The Large Bank CRA Examination Procedures evaluate the Bank's CRA performance pursuant to three tests: Lending, Investment, and Service. The Lending Test included analysis for the Bank's home mortgage and small business lending, as these represent the Bank's primary lending focus. Home mortgage loans include originated or purchased home purchase, home improvement, and refinance loans reported on the Bank's HMDA Loan Application Registers (LARs). Small business loans include commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. Information concerning small business loans was derived from the Bank's Small Business Loan Registers prepared in accordance with CRA data reporting requirements.

Examiners analyzed lending data for 2012, 2013, and the first three quarters of 2014. Home mortgage and small business lending performance in 2012 was compared to aggregate and demographic data. As aggregate data for 2013 was not available as of the evaluation date, 2013 lending performance was only compared to applicable demographic data. The Bank's year-to-date (YTD) 2014 home mortgage and small business lending performance was referenced to highlight any trends or anomalies, as applicable.

The Bank originated 947 home mortgage loans totaling \$219.9 million in 2012, 658 loans totaling \$153.1 million in 2013, and 296 loans totaling 91.3 million in YTD 2014. The Bank originated 142 small business loans totaling \$20.2 million in 2012, 151 loans totaling \$21.6 million in 2013, and 135 loans totaling 18.6 million in YTD 2014. Since home mortgage lending represents the Bank's primary product line, as reflected in both recent lending activities and the September 2014 Call Report data, more weight is assigned to this loan type when arriving at Lending Test conclusions and ratings.

Since the Bank does not make farm loans, the Lending Test did not evaluate this product type. Consumer loans were not analyzed as part of this evaluation, as these loans do not constitute a substantial majority of the Bank's loan portfolio or recent lending activity. Additionally, management did not collect optional CRA-related data for consumer loans.

In addition to the Lending Test, which includes an analysis of community development loans and innovative and flexible lending practices, qualified investments, and services were also reviewed. These activities were evaluated from August 23, 2011 through December 15, 2014. It should be noted that more weight is assigned to the Lending Test in assessing the Bank's overall performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Bank's Lending Test performance is rated Satisfactory. The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm (where applicable), and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: (1) the volume of lending activity; (2) the proportion of lending within the assessment area(s); (3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle-, and upper-income geographies in the assessment area(s); (4) the distribution of loans among low-, moderate-, middle-, and upper-income borrowers and businesses of different sizes; (5) the volume, complexity and innovativeness of community development lending; and (6) the use of innovative or flexible lending practices.

The following sections discuss the Bank's performance under each Lending Test criterion.

Lending Activity

In 2012, 2013, and the first three quarters of 2014 the Bank originated 1,231 residential loans totaling \$258.6 million in the assessment area. During the same period, the Bank originated 343 small business loans totaling \$39.5 million in the assessment area. This level of lending activity reflects good responsiveness to assessment area credit needs. The following sections discuss performance by loan type.

Home Loans

In 2012, UniBank originated 647 home mortgage loans totaling \$134.6 million in its assessment area. Refinance loans represented the primary focus of the Bank's home mortgage lending and comprised 70.2 percent. Home purchase loans accounted for 17.4 percent, and home improvement loans the remaining 12.4 percent.

Market rank data by loan purpose for 2012 supports the conclusion for this criterion. The Bank ranked fourth among all HMDA reporting lenders that originated a home mortgage loan in the assessment area. Only Wells Fargo Bank, NA, Milford Federal Savings & Loan, and Sovereign Bank N.A. originated more loans. The Bank had 113 home purchase originations for a 2.8 percent market share, 80 home improvement loans for a 7.2 percent market share, and 454 refinance originations for a 3.3 percent market share.

In 2013, the total number of home mortgage loans inside the assessment area decreased by 32.8 percent compared to the prior year. This decrease in home mortgage lending volume was mainly due to the drop in demand for refinance loans. Stable or increasing rates reduced the demand for refinance loans nationwide. Refinance loans and home improvement loans dropped to 55.9 percent and 10.1 percent of total loans, respectively, while home purchase loans increased to 34.0 percent in 2013. The Bank is on pace for a further decrease in lending in 2014.

Small Business Loans

In 2012, the Bank reported 115 small business loans totaling \$15.0 million in the assessment area. The Bank's market share was 1.1 percent, ranking 16th among the 72 reporting lenders that

made small business loans in the area. All of the lenders that ranked higher than UniBank were banks that offered business credit cards and originated numerous loans in small dollar amounts, with most average loan sizes below \$9,000. When ranked by total dollar volume, UniBank's small business lending of \$16.8 million ranked sixth among the reporting lenders with a market share of 5.3 percent.

The Bank slightly increased the number of loans in 2013, although the dollar volume of originations decreased compared to the prior year. In total, the Bank originated 117 small business loans totaling \$12.7 million in the assessment area in 2013. The Bank was on pace to increase the number of originations in 2014.

Assessment Area Concentration

Overall, the Bank made an adequate percentage of loans inside its assessment area. For both loan types combined, the Bank made 67.6 percent of loans by number and 56.8 percent by dollar amount within the assessment area during the evaluation period. Table 3 illustrates the distribution of loans inside and outside the assessment area by loan type, purpose, and year.

Table 3 – Distribution of Loans Inside and Outside of Assessment Area										
Loan Category or Type	Number of Loans					Dollar Volume				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	\$(000)
Home Loans										
2012										
Home Purchase	113	54.1	96	45.9	209	24,593	46.5	28,241	53.5	52,834
Refinance	454	71.4	182	28.6	636	97,161	65.7	50,687	34.3	147,848
Home Improvement	80	78.4	22	21.6	102	12,842	66.7	6,415	33.3	19,257
Total	647	68.3	300	31.7	947	134,596	61.2	85,343	38.8	219,939
2013										
Home Purchase	148	62.5	89	37.5	237	31,212	57.4	23,175	42.6	54,387
Refinance	243	66.9	120	33.1	363	55,804	62.6	33,325	37.4	89,129
Home Improvement	44	75.9	14	24.1	58	7,606	79.7	1,935	20.3	9,541
Total	435	66.1	223	33.9	658	94,622	61.8	58,435	38.2	153,057
YTD 2014										
Home Purchase	67	39.2	104	60.8	171	15,328	25.1	45,685	74.9	61,013
Refinance	78	65.0	42	35.0	120	13,213	45.5	15,846	54.5	29,059
Home Improvement	4	80.0	1	20.0	5	885	74.7	300	25.3	1,185
Total	149	50.3	147	49.7	296	29,426	32.3	61,831	67.7	91,257
Total Home Loan	1,231	64.8	670	35.2	1,901	258,644	55.7	205,609	44.3	464,253
Small Business Loans										
2012	115	81.0	27	19.0	142	15,013	74.3	5,187	25.7	20,200
2013	117	77.5	34	22.5	151	12,678	58.8	8,876	41.2	21,554
YTD 2014	111	82.2	24	17.8	135	11,819	63.5	6,796	36.5	18,615
Total Small Business	343	80.1	85	19.9	428	39,510	65.4	20,859	34.6	60,369
Grand Total	1,574	67.6	755	32.4	2,329	298,154	56.8	226,468	43.2	524,622

Source: 2012, 2013, and 2014 YTD HMDA LARs and Small Business Loan Registers (LRs).

Geographic Distribution

The geographic distribution of loans was reviewed to determine how well UniBank has addressed the credit needs throughout the assessment area, particularly in low- and moderate-

income geographies. Considering demographics, aggregate data, and performance context factors, the geographic distribution of loans reflects adequate penetration throughout the assessment area. The following sections discuss the Bank's performance under this criterion by loan type.

Home Loans

The Bank demonstrated adequate penetration of home mortgage loans throughout the assessment area, performing better in moderate-income tracts than in low-income tracts. Table 4 depicts the Bank's home mortgage lending by tract income level compared to aggregate and demographic data.

Table 4 - Distribution of Home Mortgage Loans by Census Tract Income Level						
Census Tract Income Level	2012 Aggregate Lending	2012 Bank Lending		% of Owner-Occupied Housing Units	2013 Bank Lending	
	%	#	%		#	%
Low	1.8	5	0.8	3.1	5	1.2
Moderate	8.6	75	11.6	11.7	54	12.4
Middle	39.7	235	36.3	45.1	165	37.9
Upper	49.9	332	51.3	40.1	211	48.5
Total	100.0	647	100.0	100.0	435	100.0

Source: 2012 Aggregate Data, 2012 and 2013 HMDA LARs, and 2010 U.S. Census Data

Low-Income

As shown in Table 4, the Bank's lending performance in the low-income census tracts was below aggregate lending data for 2012 and the percentage of owner-occupied units. The City of Worcester contains all of the area's low-income tracts. The Bank opened its only branch in Worcester in July 2012. Considering its recent entry into Worcester and strong competition from other lenders in the area, the Bank's performance in low-income tracts is reasonable.

Market share data for 2012 provides additional insight into home mortgage lending in the area's low-income tracts. The top three lenders were Wells Fargo Bank, N.A. with 27 loans and a market share of 7.8 percent; Bay State Savings Bank with 20 loans and a market share of 5.8 percent; and TD Bank, N.A. with 18 loans and a market share of 5.2 percent. The Bank's five loans represent a market share of 1.4 percent, although for home improvement loans the Bank had a 7.7 percent market share.

In 2013, the Bank's lending performance in the low-income census tracts was again below area demographics. This lending performance is partly due to the high concentration of rental units in low-income tracts. Occupied rental units represent 66.7 percent of total housing units, while owner-occupied units represent 16.1 percent of total units.

Moderate-Income

Table 4 also shows the Bank's performance in moderate-income census tracts within the assessment area. In 2012, the Bank originated 11.6 percent of its total loans within these tracts. This performance exceeded the percentage of aggregate lending and was consistent with the percentage of owner-occupied units in moderate-income tracts. The Bank ranked second with a

4.6 percent market share in moderate-income tracts, trailing only Wells Fargo Bank, N.A. (7.7 percent).

The Bank's market share was particularly strong for home improvement and refinance loans. The Bank ranked third in both loan purpose categories with an 8.7 percent market share for home improvement loans and a 5.2 percent market share for refinance loans. The Bank had a 2.4 percent market share for home purchase loans. The Bank's lending in moderate-income geographies decreased by number in 2013, but the percentage of loans was consistent with the percentage of owner-occupied housing units in these tracts.

Small Business Loans

The distribution of the Bank's small business loans reflects adequate penetration throughout the assessment area. The Bank performed better in moderate-income census tracts than in low-income census tracts.

Table 5 illustrates the distribution of the Bank's small business loans by census tract income level compared to the aggregate lending performance and business demographics.

Table 5 - Distribution of Small Business Loans by Census Tract Income Level							
Census Tract Income Level	% of Total Businesses (2012)	2012 Aggregate Lending	2012 Bank Small Business Lending		% of Total Businesses (2013)	2013 Bank Small Business Lending	
		%	#	%		#	%
Low	11.8	10.6	1	0.8	11.9	3	2.6
Moderate	14.6	14.3	14	12.2	14.5	18	15.4
Middle	37.9	37.1	40	34.8	37.8	53	45.3
Upper	35.6	38.0	60	52.2	35.7	43	36.7
Total	100.0	100.0	115	100.0	100.0	117	100.0

Source: 2012 CRA Aggregate Data, 2012 and 2013 Small Business LRs, and 2013 D&B Business Demographic Data

Low-Income

In 2012, the Bank originated one loan in a low-income tract, accounting for 0.8 percent of total loans. This was significantly below aggregate lending at 10.6 percent and the percentage of businesses at 11.8 percent in low-income census tracts. The Bank's lack of a branch in Worcester until July 2012 and the strong competition in the area mitigated the effect of these comparisons on overall conclusions for this criterion.

In 2013, the Bank increased its lending in the low-income census tracts to three loans. However, this performance remained significantly below the percentage of total small businesses in these tracts. The slightly increasing trend continued in YTD 2014.

Moderate-Income

In 2012, the Bank originated 18 small business loans in moderate-income tracts, accounting for 12.2 percent of total loans. This performance was slightly below aggregate lending and the percentage of businesses in these tracts. Three lenders captured nearly half of the market for small business loans in the moderate-income census tracts. American Express, FSB (30.6 percent), Citi Bank, N.A. (9.3 percent) and GE Capital Retail Bank (9.1 percent) created significant competition for local lenders to originate small business loans.

In 2013, the Bank increased the number and percentage of loans made in moderate-income tracts. This performance was slightly above the percentage of total small businesses within moderate-income census tracts. Bank performance in YTD 2014 increased to 22.5 percent

Borrower Distribution

The distribution of loans by borrower income level and business revenues was reviewed to determine UniBank's performance in addressing area credit needs, with the largest emphasis on low- and moderate-income borrowers and businesses with GARs of \$1 million or less. The distribution of borrowers reflects adequate penetration among retail customers of different income levels and business customers of different sizes. The following sections discuss the Bank's performance under this criterion by loan type.

Home Loans

The distribution of borrowers reflects adequate penetration among retail customers of different income levels. Table 6 shows the distribution of loans by borrower income level, as well as 2012 aggregate data and the distribution of families by income level for comparative purposes.

Table 6 - Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	2012 Aggregate Lending	2012 Bank Lending		% of Total Families	2013 Bank Lending	
	%	#	%		#	%
Low	6.5	35	5.4	21.3	34	7.8
Moderate	17.8	97	15.0	16.4	98	22.5
Middle	25.3	192	29.7	21.5	92	21.2
Upper	45.5	322	49.8	40.8	208	47.8
N/A	4.9	1	0.1	0.0	3	0.7
Total	100.0	647	100.0	100.0	435	100.0

Source: 2012 Aggregate Data, 2012 and 2013 HMDA LARs, and 2010 U.S. Census Data

Low-Income

In 2012, UniBank's home mortgage lending performance to low-income borrowers was slightly below aggregate data and significantly below demographic data. UniBank ranked sixth with a market share of 2.9 percent in lending activity to low-income borrowers. The affordability of homeownership affected lending opportunities to low-income borrowers. A low-income family in the assessment area would have income of \$43,150 or less based on the 2012 FFIEC adjusted MFI of \$86,300. Many low-income families likely could not support a mortgage payment considering the median housing value of \$295,187 based on 2010 U.S. Census data. In addition, 34.3 percent of low-income families in the assessment area have incomes below the poverty level and would have significant difficulty in obtaining home financing. The lack of affordability created increased competition for loans to low-income borrowers and explains the disparity between demographic data and Bank and aggregate lending to low-income borrowers.

The Bank had a significant market share for home improvement loans to low-income borrowers, further supporting the criterion conclusion. The Bank ranked second with a market share of 5.8

percent for this loan purpose. The Bank held a 2.8 percent market share for refinance loans and a 2.4 percent market share for home purchase loans to low-income borrowers.

The Bank's level of lending to low-income borrowers in 2013 remained consistent with 2012 performance, again trailing demographic data.

Moderate-Income

In 2012, the Bank originated 15.0 percent of total loans to moderate-income borrowers within the assessment area. This performance was slightly below that of aggregate lenders and the percentage of moderate-income families. UniBank ranked fourth with a market share of 2.9 percent for loans to moderate-income borrowers, which was similar to its market share for loans to low-income borrowers.

Similar to its lending to low-income borrowers, the Bank had a significant market share for home improvement loans to moderate-income borrowers, ranking third with a 5.6 percent share. The Bank had a 3.2 percent market share for refinance loans and a 1.8 percent market share for home purchase loans.

In 2013, the Bank maintained a consistent level of lending to moderate-income borrowers. However, this lending performance represented 22.5 percent of all loans in the assessment area due to the drop in total loans, which exceeded the percentage of total families.

Small Business Loans

The distribution of borrowers reflects adequate penetration among business customers of different sizes, particularly those with GARs of \$1 million or less. Table 7 provides information on the distribution of loans by business revenue category, as well as aggregate lending data for 2012 and business demographic data for 2012 and 2013.

Table 7 - Distribution of Small Business Loans by Revenues							
GARs \$(000s)	% of Total Businesses (2012)	Aggregate Lending (2012)	Bank 2012		% of Total Businesses (2013)	Bank 2013	
		%	#	%		#	%
≤ \$1,000	71.5	40.3	37	32.2	72.2	33	28.2
> \$1,000 or N/A	28.5	5.1	78	67.8	27.8	84	71.8
Total	100.0	100.0	115	100.0	100.0	117	100.0

Source: 2012 CRA Aggregate Data, 2012 and 2013 Small Business LR's, and 2012 and 2013 D&B Business Data

As illustrated in Table 7, the Bank's lending to businesses with GARs of \$1 million or less in 2012 was below the aggregate performance and significantly below the percentage of total businesses in the assessment area. The Bank's market rank for loans to businesses with GARs of \$1 million or less was fifth in 2012, with a 6.9 percent market share by number of loans.

Based on discussions with Bank management, the Bank incorrectly reported revenues for small business term loan renewals as not applicable, which skewed Bank performance. A review of these loans after the Bank provided revenue information showed that they were made to small businesses with GARs under \$1 million. Based on a recalculation of revised small business loan data for 2012, the Bank made 63.4 percent of loans to businesses with revenues of \$1 million or less, which exceeded aggregate lending in 2012. The performance based on revised data was

similar in 2013, falling below the percentage of total businesses in the area. In YTD 2014, 66.7 percent of loans were to businesses with \$1 million or less in revenues.

Community Development Lending

The FDIC and Division evaluated the Bank's community development lending activities pursuant to the following criteria: (1) the extent to which community development lending opportunities are available to the institution; (2) the responsiveness of the institution's community development lending; and (3) the extent of leadership the institution has demonstrated in community development lending.

A community development loan is a loan that: (1) has community development as its primary purpose, (2) has not already been reported by the Bank for consideration under small business or home mortgage lending (unless it is a multi-family dwelling loan), and (3) benefits the Bank's assessment area or a broader statewide or regional area that includes the Bank's assessment area.

Based on the demographic composition of the assessment area, community development lending opportunities exist, especially in the low- and moderate-income census tracts in Worcester. These areas have a dense population, community development corporations (CDCs), and the need for economic development and revitalization projects. The evaluation considered that the Bank has only had a branch in Worcester since July 2012.

UniBank made an adequate level of community development loans. During this evaluation period, the Bank originated six community development loans in its assessment area totaling \$7.1 million. During the previous CRA evaluation period, the Bank originated six community development loans totaling \$1.4 million. Table 8 summarizes the Bank's community development lending activity since the prior examination.

Table 8 - Community Development Loans												
Activity Year	Qualifying Category										Totals	
	Affordable Housing		Community Services*		Economic Development		Revitalization or Stabilization**		Neighborhood Stabilization Projects			
	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
8/23/2011 – 12/31/2011	0	0	0	0	1	1,100	0	0	0	0	1	1,100
2012	0	0	0	0	1	125	0	0	0	0	1	125
2013	0	0	0	0	1	1,100	0	0	0	0	1	1,100
YTD 2014	0	0	2	3,050	0	0	1	1,746	0	0		4,796
Total	0	0	2	3,050	3	2,325	1	1,746	0	0	6	7,121

Source: Bank Records

*Targeted to Low- or Moderate-Income Individuals

** In Low- or Moderate-Income, Disaster, Distressed, or Underserved Geographies

The following represents the community development loans made by the Bank during the evaluation period:

- In October 2011, the Bank made a SBA 504 CDC loan for \$1.1 million to be used as interim financing for the construction of an office building for a small business in the assessment area. It was anticipated that the small business would create 40 additional jobs.
- In August 2012, the Bank renewed a credit line for \$125,000 under its Fast Track Small Business Loan Program to an economic development corporation that assists businesses, developers, and communities to utilize governmental tax and financing incentives to fund real estate and business expansion. The organization also foster partnerships to provide developers tax-exempt financing rates, state investment tax credits and local property tax exemptions, low interest rates for housing and manufacturing facilities, and identifying grants and low interest loans for non-profit, solid waste, and local economic development projects.
- In 2013, the Bank extended the maturity date of the SBA 504 CDC loan for \$1.1 million that was originally granted in 2011 in conjunction with Worcester Business Development Corporation (WBDC). The extension allowed the bridge loan to be refinanced by the SBA via a sale of a debenture.
- In March 2014, the Bank purchased a \$1.7 million share in a \$13.8 million participation loan to a non-profit organization. The Bank is not the lead lender. The loan was used for the construction and renovation of a newly acquired building and adjacent parking lots for mixed-use purposes. The non-profit organization is dedicated to combatting community deterioration and enabling economic development by providing infrastructure and parking facilities in distressed areas. The project represents revitalization in a low-income geography.
- In August 2014, the Bank made two loans (\$2.5 million to refinance an existing mortgage and a \$550,000 working capital line of credit) to a public education institution. The mission of the institution is to prepare Worcester children for success by providing them with high quality, low cost education. The school primarily targets low income students, as well as students with disabilities and limited English proficiency. About 83.0 percent of the students are considered low-income and are eligible for free or reduced lunch. The school is located within a low-income census tract in Worcester.

Innovative or Flexible Lending Products

The Bank makes limited use of innovative and flexible lending practices are evaluated pursuant to the following criteria: (1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and (2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

The Bank uses innovative and/or flexible lending practices and programs in order to serve assessment area credit needs. The Bank offers various special mortgage loan programs for individuals at all income levels, including low- and moderate-income individuals, as well as for first-time homebuyers in pursuing or maintaining home ownership. Additionally, the Bank offers SBA loans and Fast Track Small Business Loans to better meet the credit needs of the

area's small businesses. While the Bank offers a fair number of different program types, the success of the programs have varied. The Bank's loan programs for small businesses were particularly successful.

The following are some examples of the Bank's innovative and flexible lending programs:

Home Loans

Freddie Mac Relief Refinancing

Freddie Mac's Relief Refinancing program allows individuals to refinance to lower interest rates during the period of declining property values. This program allows for high loan-to-value ratios and relatively high debt-to-income ratios. UniBank originated both Same Servicer and Open Access refinancing. This affordable home program is designed to provide borrowers with the option to refinance to achieve successful long-term home ownership. During the period UniBank refinanced 27 mortgages totaling \$6.2 million.

U.S. Department of Agriculture (USDA) Rural Development Guaranteed Loans

This program is specifically designed to assist low- and moderate-income individuals with home purchasing. The USDA loans may be made with no down-payment or private mortgage insurance requirement. To be eligible, borrowers must not exceed 115.0 percent of HUD's median income limits, the property must be owner-occupied, and must be a single-family house or condominium. Some closing costs and the guarantee fee may be included in the loan amount, with an unlimited amount of seller contributions. During the review period, the Bank originated three USDA loans totaling \$626,175. The Bank is no longer a USDA lender.

Small Business Loans

Small Business Administration (SBA) Loans

UniBank is a SBA Preferred lender, which results in faster decisions on loan applications. The Bank offers SBA 7(a), SBA Express Loan, SBA Patriot Express, and SBA 504 loan programs. SBA programs are an important alternative to qualified businesses that may not otherwise be eligible for traditional Bank financing. UniBank was named 2013 Small Loan Advantage Lender of the year, as well as the top SBA lender in central Massachusetts. In 2013 and 2014, the Bank was in the top 10 SBA 7(a) lenders in Massachusetts. During the exam period, UniBank originated 76 SBA loans totaling \$6.9 million.

In July 2014, the Bank introduced a Military Banking program for active military and veterans. The Bank collaborated with the SBA to feature a special annual percentage rate of 1.77 percent for 12 months for an amount up to \$350,000. During the review period, the Bank originated 3 of these loans under the program totaling \$135,000.

Fast Track Small Business Loans

This internal small business program offers small business loans up to \$250,000 with a streamlined application and approval process. This program provides small businesses with fast and easy access to loan funds. Under this program, loans may be closed-end or revolving, secured or unsecured, and with or without SBA guaranty. This program is largely responsible

for the increase in SBA loans and other lending to small businesses in the last three years. The Bank also originated 53 loans without SBA guaranty in the amount of \$2.8 million during the review period.

INVESTMENT TEST

UniBank's Investment Test performance is rated Satisfactory. The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the Investment Test. The institution'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 credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

UniBank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The institution exhibits adequate responsiveness to credit and community development needs, occasionally using innovative and/or complex investments to support community development initiatives.

Qualified bonds and equity investments totaled \$10.0 million and represent 2.6 percent of securities as of December 31, 2014. These investments provide community services targeted to low- and moderate-income individuals.

Equity Investments

The Bank purchased a \$7.5 million tax-exempt bond issued by the Massachusetts Development Finance Agency (Mass Development) in December 2012. The proceeds of the Bond were used to refinance and restructure the borrower's existing debt and fund improvements. The borrower, a nonprofit agency, owns a 123-bed skilled nursing facility in Whitinsville, MA. The health center provides rehabilitation, skilled nursing services, and short-term care including intravenous therapy, wound management, and nutrition services. The health center also provides long-term care for social and psychosocial needs. Sixty-three percent of patients are on Medicaid or receive reimbursements from the state based on income parameters.

The Bank purchased a \$2.5 million participation in a tax-exempt bond issued originally by Massachusetts Health and Educational Facilities Authority (MHEFA) in 2004. In 2010, MHEFA merged into Mass Development. The bond is part of a much larger financing arrangement with other financial institutions. In 2013, the original bondholder sought participations from additional financial institutions, including UniBank for Savings.

The bond provides financing for a school that provides care for children and adults with behavioral or depression issues through medically intensive interventions that focus on wellness and recovery. Since 1979, the school has worked with thousands of youths referred by the Department of Children and Families or by court-order. Each student takes part in clinical and skill-building groups to address problem behaviors, social skill development, daily life and independent living skills, moral development, conflict management, stress, and coping and anger

management. Vocational, transitional, and rehabilitative services have been developed to prepare students to successfully transition into the community, find employment, and become self-sufficient. The majority of clients served are of low- to moderate-income. Although the facility is located outside the Bank's assessment area, it is close to the area and serves the statewide area of Massachusetts, including the assessment area.

Qualified Donations

The Bank also promoted community development in the assessment area through direct grants and charitable contributions to organizations that provide education, youth programs, affordable housing, health and human services, and economic development. During the evaluation period, the Bank provided 114 qualified grants totaling \$519,900. The Bank significantly increased the level of qualified donations since the last evaluation. Table 9 provides a summary of the Bank's qualified contributions, including a comparison to prior evaluation totals.

Table 9 - Qualified Community Development Donations												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization Projects		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Prior Evaluation	4	4,250	43	233,900	6	14,750	1	1,000	0	0	54	253,000
08/23/11 – 12/31/11	1	2,500	21	98,500	0	0	0	0	0	0	22	101,000
2012	1	5,000	31	149,850	1	1,250	0	0	0	0	33	156,100
2013	3	5,500	29	143,600	1	2,500	0	0	0	0	33	151,600
YTD 2014	3	8,500	23	102,700	0	0	0	0	0	0	26	111,200
Totals	8	21,500	104	494,650	2	3,750	0	0	0	0	114	519,900

Source: Internal Bank records

The following is a sample of organizations that received donations from the Bank

Abby's House – Since 1976, Abby Kelley Foster House, Inc. (Abby's House) has provided more than 11,500 homeless women and children with a safe place to stay, regroup, and rebuild for their future. Abby's House was one of the first shelters for women, with or without children, in the U.S. With 78 units, Abby's House is the largest provider of affordable housing in Worcester designed to meet the needs of women and children.

Auburn Youth and Family Services – Auburn Youth and Family Services provides family and individual counseling, anger management, after-school and summer programs, and a food pantry and clothing closet to some of Auburn's neediest families.

Central Massachusetts Housing Alliance (CMHA) – CMHA leads a collaborative response to homelessness that fosters long-term housing stability through prevention, quality services, education and advocacy.

Community Harvest Project – This organization utilizes its farms in North Grafton and a strong volunteer base to harvest hundreds of thousands of pounds of fresh fruits and vegetables for low-income individuals in the community that utilize hunger relief services through local food

pantries, soup kitchens and shelters. Community Harvest Project provides a consistent supply of high quality, highly nutritious fresh fruits and vegetables that are distributed throughout these hunger relief organizations.

Rachel's Table – Rachel's Table is a volunteer-based group that transports unserved and unsold prepared and perishable foods that otherwise would be wasted. This "excess" food is distributed to 35 shelters, soup kitchens, and neighborhood pantries.

Seven Hills Foundation – This health and human services agency provides support and services to people in poverty, with disabilities, or who have experienced trauma. A majority of individuals served by Seven Hills are low- or moderate-income.

Whitinsville Community Center – The youth outreach program is designed to allow children from low- and moderate-income families the opportunity to participate in a variety of services including fitness, daycare, afterschool programs, and summer day camps at no cost.

Worcester Community Action Council (WCAC) – WCAC's Fuel and Energy programs assist low-income homeowners and renters with winter heating bills, past due balances on utility bills, and emergency repair or replacement of heating systems.

Y.O.U. Inc. – Y.O.U., Inc. is one of the leading child welfare, behavioral health, and education agencies in Massachusetts. This organization offers specialized services at 32 different sites in Worcester County with many educational, vocational, therapeutic, and residential programs that serve more than 13,000 young people and their families each year, most of whom are low- to moderate-income.

Local Food Pantries – UniBank has provided assistance to a number of local food pantries and food banks throughout its assessment area. The food banks provide meals to low- and moderate-income individuals and families.

SERVICE TEST

The Bank's Service Test performance is rated Satisfactory. The Service Test evaluates the institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that serve low- or moderate-income individuals; 3) the availability and effectiveness of alternative systems for delivering retail banking services in low- and moderate-income areas 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 in those geographies.

The institution's community development services are evaluated pursuant to the following criteria: 1) the extent to which the bank provides community development services; 2) the innovativeness of community development services, including whether they serve low- and

moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and, 4) their responsiveness to available opportunities for community development services.

Retail Banking Services

Distribution of Branches

The Bank's service delivery systems, including full-service branches and ATMs, are reasonably accessible to essentially all portions of the assessment area. The Bank maintains 11 full-service branches. UniBank has two branches in moderate-income census tracts, which are located on Church Street in Whitinsville (main office) and on Gold Star Boulevard in Worcester. There are no branches in low-income census tracts.

All of the Bank's branches have at least one ATM and offer drive-up services. The Bank does not operate remote ATMs. However, UniBank is a member of the SUM network. UniBank customers have access to ATMs within the SUM network without incurring a surcharge by SUM member banks. There are nearly 2,800 ATMs currently participating in the SUM network.

Table 10 compares the distribution of branches and ATMs to the distribution of assessment area census tracts and the population by census tract income level. The percentage of branches and ATMs located in low-income income tracts does not support the population or percentages of tracts in low-income areas. The percentage of branches and ATMs in moderate-income tracts is in line with the percentages of moderate-income tracts and the population living in these geographies.

Table 10 - Distribution of Branches and ATMs						
Census Tract Income Level	% of Tracts	% of Population	Full-service Branches		ATMs	
			#	%	#	%
Low	11.7	10.6	0	0.0	0	0.0
Moderate	19.4	16.6	2	18.3	2	18.3
Middle	39.8	38.4	3	27.2	3	27.2
Upper	27.2	33.6	6	54.5	6	54.5
NA	1.9	0.8	0	0.0	0	0.0
Total	100.0	100.0	11	100.0	11	100.0

Source: 2010 U.S. Census, FDIC records

Record of Opening and Closing Branches

To the extent changes have been made, the Bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The Bank opened three branches since the last evaluation, two in Worcester and one in Grafton. The Bank opened a branch office on Gold Star Boulevard in Worcester (moderate-income tract) in 2012 and at Willows Borrows, a senior housing community in Worcester (upper-income tract) in 2014. The Willows branch exclusively serves the residents of the Willows at Worcester retirement community and has limited hours. The Bank opened the Grafton branch in 2013 on Worcester Street (upper-income tract). While the Bank added a branch in a moderate-income tract, the assessment area includes more low- and moderate-income tracts than at the previous evaluation. UniBank did not acquire or close any branches since the last examination.

Alternative Delivery Systems

In addition to retail banking locations, UniBank offers its customers alternative ways to bank and access their funds. These alternative delivery systems are similar to those offered at other local institutions. While these products and services increase accessibility to all bank customers, they are not specifically designed to increase the accessibility of banking services to low- or moderate-income areas or individuals.

The Bank's free online and mobile banking services allow customers to access balances on their checking, savings, certificates of deposit, and money market accounts, as well as lines of credit and mortgages. Functions include transferring money between accounts, transferring funds to pay a UniBank loan, reordering checks, or placing a stop payment. Paid check images are also available online. Customers can use UniBank's bill pay service to pay utility and other household bills.

Banking by Phone is available 24 hours a day, 7 days a week. Customers can access information on their personal accounts, transfer funds between accounts, or place a stop payment. Customers can pay UniBank loans by telephone.

Reasonableness of Services and Business Hours

The Bank's services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of its assessment area, particularly low- and moderate-income geographies and/or individuals.

The Bank provides a full array of personal banking services, including deposit services, various checking, savings account options designed to fit the needs of its customers, and debit cards. Consumer credit products include home mortgages, home equity loans, home equity lines of credit, home improvement loans, personal loans, automobile loans, and overdraft protection.

The Bank also offers a free checking account with no minimum balance specifically designed to meet the needs of students. Features include a UniBank VISA debit card and free services such as online banking, bill pay, mobile banking, mobile deposit, eStatements, and telephone banking. In addition, a Student Resource Center at the Bank's webpage is available with topics regarding credit and budgeting. UniBank also offers a Free Checking account that meets the Massachusetts Community & Banking Council's Basic Banking program guidelines. The program was designed to help those with limited banking needs to establish banking relationships through low-cost deposit accounts. The Bank makes all products and services available at each branch location.

The Bank's hours of operation are convenient and comparable to other local area institutions. A majority of the Bank's locations are open from 9:00 A.M. to 4:00 P.M. Monday through Wednesday, with extended hours until 6:00 P.M. on Thursday and Friday. With the exception of the branch on Providence Road in Whitinsville, which is in an upper-income tract, all branches have Saturday hours until 12:00 P.M. or 1:00 P.M. The Worcester Street branch in Grafton (upper-income) and the 24 Gold Start Boulevard branch in Worcester (moderate-income) are open until 5:00 P.M. Monday through Wednesday. The branch at the Willows at Worcester retirement community has limited hours and only serves the residents of the retirement community.

Community Development Services

The Bank provides an adequate level of community development services. This conclusion considered that the Bank has only had a branch in Worcester since July 2012. UniBank provided financial services or technical expertise to seven community development organizations during the evaluation period, including the United Way of Central Massachusetts, Girls Incorporated, Center for Women and Enterprise, and Auburn Youth and Family Services. The following descriptions summarize the Bank's community development services.

United Way of Central Massachusetts – Multiple UniBank executive officers served as loaned executives for the Board of the United Way of Central Massachusetts. The mission of the United Way of Central Massachusetts is to invest in educational opportunities, supporting strong families and building healthy communities. UniBank's executive officers used their financial expertise to support the Loan Executive Committee and Fund Raising Committee. The majority of individuals and areas served by United Way of Central Massachusetts are low- or moderate-income. The organization provides many services in the City of Worcester in particular.

Girls Incorporated – Girls Incorporated is located in Worcester in a moderate- income tract and serves girls predominantly from low- and moderate-income families. A UniBank vice president served as a mentor in a 12-week leadership and financial academy that included workshops on financial literacy topics including spending, saving, investing, and sharing. Topics also included giving every dollar a job, wants versus needs, and creating and working towards financial goals.

Center for Women Enterprise Worcester (CWE) – CWE provides opportunities for women entrepreneurs and women in business to increase professional success, personal growth and financial independence. Clients are predominantly low- or moderate-income. UniBank sponsored and hosted quarterly events, providing technical support for women small business owners.

Auburn Youth and Family – Auburn Youth and Family is a non-profit agency providing counseling, tutoring, advocacy, food pantry and other services to low- to moderate-income individuals and families. A UniBank executive officer serves as the Treasurer of the organization.

Y.O.U. Inc. – The Bank's Executive Vice President serves as an Incorporator and Finance Committee member for this organization. Y.O.U. Inc. is one of the leading child welfare, behavioral health, and education agencies in Massachusetts. For most programs, individuals must be eligible for Transitional Aid to Families with Dependent Children and be referred by the Department of Transitional Assistance.

Worcester Business Development Corporation (WBDC) – WBDC is a non-profit business organization with a mission to serve as an innovative and leading force in economic development for the City of Worcester and the region, fostering job creation and tax base expansion. A Bank vice president serves as Director.

The Seven Hills Foundation – A Bank vice president serves on the Steering Committee for the Aspire Program of the Seven Hills Foundation. The foundation offers services to individuals with disabilities and life challenges, most of whom are low- or moderate-income.

In addition, UniBank hosted two first-time homebuyer seminars at Bank branches. Topics included prequalifying for a mortgage, down payment options, home inspections, and other information related to the mortgage process.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A

Massachusetts Division of Banks Fair Lending Policies and Procedures Review

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106.

Based on a review of the Bank's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified. The Bank's loan policy prohibits discrimination against all the prohibited classes listed under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). Also included in The Bank's loan policy are procedures for the second review process of denied loan applications.

MINORITY APPLICATION FLOW

According to the 2010 U.S. Census Data, The Bank's assessment area contained a total population of 478,021 individuals, of which 22.3 percent are minorities. The assessment area's minority and ethnic population consists of 4.7 percent Black/African American, 5.3 percent Asian/Pacific Islander, 0.2 percent American Indian, 10.0 percent Hispanic or Latino and 2.1 percent other race.

For 2012 and 2013, the Bank received 1,281 HMDA reportable loan applications from within its assessment area. In 2012, the Bank received 8 applications from minorities. Of these applications, 6 or 75.0 percent resulted in origination. Aggregate lenders originated 68.5 percent of applications received from minority applicants in 2012. During the same time period, the Bank also received 7 applications from ethnic groups of Hispanic origin within its assessment area, of which six or 85.7 percent resulted in originations. Aggregate lenders originated 61.2 percent of applicants received from ethnic groups of Hispanic origin.

The Bank received 1.0 percent of its applications from minorities in 2012, which was significantly below aggregate lenders at 9.1 percent. In 2013, the percentage of applications received from minorities increased slightly to 2.3 percent.

In 2012, the Bank received 0.9 percent of its applications from ethnic minorities while the aggregate received 3.7 percent for ethnic minorities. In 2013, the Bank's level of ethnic minority applicants remained similar at 1.0 percent. Refer to the table below for information on the Bank's minority application flow as well as the aggregate lenders in UniBank's assessment area.

Minority Application Flow					
RACE	Bank 2012		2012 Aggregate Data	Bank 2013	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	7	0.9	5.7	10	1.9
Black/ African American	1	0.1	2.1	1	0.2
Hawaiian/Pac Isl.	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.0	0	0.0
Joint Race (White/Minority)	0	0.0	1.0	1	0.2
Total Minority	8	1.0	9.1	12	2.3
White	736	95.7	70.7	480	93.7
Race Not Available	25	3.3	20.2	20	4.0
Total	769	100.0	100.0	512	100.0
ETHNICITY					
Hispanic or Latino	1	0.1	2.9	2	0.4
Not Hispanic or Latino	737	95.8	76.2	486	94.9
Joint (Hisp/Lat /Not Hisp/Lat)	6	0.8	0.8	3	0.6
Ethnicity Not Available	25	3.3	20.1	21	4.1
Total	769	100.0	100.0	512	100.0

Source: 2012 and 2013 HMDA LAR, 2012 HMDA Aggregate Data

The Bank's minority application flow, when compared to the aggregate's lending performance levels and the assessment area demographics, is not comparable with demographics or the aggregate performance.

APPENDIX B

Scope of Examination

UniBank for Savings			
SCOPE OF EXAMINATION: Examiners used Large Bank CRA Examination Procedures.			
TIME PERIOD REVIEWED: The FDIC evaluated home mortgage and small business loans originated and purchased by the Bank in 2012, 2013, and through September 30, 2014. In addition, community development loans, qualified investments and donations, and services from August 23, 2011 through December 15, 2014 were considered.			
PRODUCTS REVIEWED: Home purchase, refinances, and home improvement loans reported on the Bank’s HMDA-LAR and small business loans reported on the Bank’s CRA loan register.			
LIST OF AFFILIATES AND PRODUCTS REVIEWED			
AFFILIATE(S):		AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
UniBank Securities Corporation		Subsidiary	None
UFASI		Subsidiary	None
UniPay Direct		Subsidiary	None
Tommark, Inc., d/b/a Sterling Associates		Subsidiary	None
LIST OF ASSESSMENT AREA AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EVALUATION:	BRANCHES VISITED:	OTHER INFORMATION:
MSA 49340 Worcester, MA	Full-scope	Two	NA

APPENDIX C

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 non-metropolitan 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. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

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 non-metropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

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

- 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 Areas (CBSAs): 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).

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

FFIEC-Adjusted Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and non-metropolitan 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: Performance under the applicable tests is analyzed considering performance context, quantitative factors (geographic loan distribution, borrower profile loan distribution, and total number and dollar amount of investments), and qualitative factors (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 applications, the amount of loan requested, and the disposition of the income of applications, 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 for the purchase of 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: Performance under the applicable tests is analyzed using only quantitative factors (geographic loan distribution, borrower profile loan distribution, 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.

Non-metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan 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 non-metropolitan 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent 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.