

# **PUBLIC DISCLOSURE**

November 28, 2016

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Walpole Co-operative Bank  
Certificate Number: 26487

982 Main Street  
Walpole, MA 02081

Division of Banks  
1000 Washington Street, 10<sup>th</sup> Floor  
Boston, Massachusetts 02118

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

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **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 points summarize the bank's Lending Test and Community Development Test performance.

### **The Lending Test is rated Satisfactory**

The average net loan-to-deposit (LTD) ratio of 112.8 percent is more than reasonable given the institution's size, financial condition, and assessment area credit needs.

The bank made a majority (65.3 percent) of home mortgage and small business loans within the assessment area during the evaluation period.

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. However since the bank's assessment area has no low-income census tracts and only two moderate-income census tracts, this performance criterion is not weighted as heavily in the evaluation and in the bank's rating.

The distribution of home mortgage and small business loans to borrowers of various income levels and businesses of different sizes is reasonable.

The institution did not receive any CRA-related complaints during the evaluation period.

### **The Community Development Test is rated Satisfactory**

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities throughout the assessment area.

## SCOPE OF EVALUATION

### **General Information**

This performance evaluation, conducted by the Massachusetts Division of Banks (Division), covers the period from the prior evaluation, dated November 14, 2011, to the current evaluation dated November 28, 2016. Examiners used Intermediate Small Bank (ISB) Financial Examination Procedures established by the Federal Financial Institutions Examination Council (FFIEC). These procedures include two tests: the Lending Test and the Community Development Test.

The Lending Test evaluates the bank's performance based on the Loan to Deposit Ratio, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrowers Characteristics, and Response to CRA Complaints. The Community Development Test considers the number and dollar amount of community development loans, qualified investments, and community development services, as well as the bank's responsiveness to the community development needs of the assessment area.

### **Loan Products Reviewed**

Through a review of the bank's loan portfolio composition and discussions with management, it was noted that the bank's primary lending focus is in commercial lending. However, the bank is also an active residential lender. The bank did not originate any small farm loans, consumer loans or any other loans types, therefore, neither will be considered in this analysis.

Examiners evaluated home mortgage lending data from January 1, 2015 through September 30, 2016, as reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank's 2015 lending performance was compared with aggregate lending data for all HMDA reporting lenders and assessment area demographics. In 2015, the bank originated 84 home mortgage loans totaling \$38 million, and in 2016, the bank originated 45 loans totaling \$14.1 million.

As an ISB, the bank is not required to collect or report small business lending data; however, the bank elected to collect small business data, but not report during the evaluation period. As a result, examiners evaluated the collected small business lending data for 2015 and deemed the data accurate. A small business loan is considered to be a loan of \$1 million or less that is included in commercial real estate or commercial and industrial loans on the bank's Consolidated Report of Condition and Income (CALL) Report. Commercial real estate and commercial and industrial loans represent approximately 44.4 percent of the bank's total loan portfolio. Small business lending data for 2015 is compared with Dun & Bradstreet (D & B) business demographic data and no comparisons were made to the aggregate data. In 2015, the bank originated 86 small business loans totaling \$18.7 million.

The bank's portfolio remains weighted in real estate loans with commercial real estate loans representing 40.7 percent and 1-4 family residential loans at 27.7 percent. In addition, examiners considered the number and dollar volume of home mortgage loan originations; however, emphasis is placed on the number of loans. Examiners emphasized the number of loans because

it is not influenced by factors including applicant income or housing values, and provides a better overall indicator of the number of individuals served by the institution.

The Community Development Test included an analysis of the bank's qualified community development loans, investments, and services from November 11, 2011 through November 28, 2016. For the purpose of this evaluation, 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. A qualified investment is a lawful investment, deposit, donation, or grant that has community development as its primary purpose. A community development service is a service that has community development as its primary purpose and is generally related to the provision of financial services or technical services or assistance.

## **DESCRIPTION OF INSTITUTION**

### **Background**

On June 11, 1912, Walpole Co-operative Bank became a Massachusetts state chartered mutual bank. The bank has one wholly-owned subsidiary, WCB Securities Corporation that was formed to hold bank securities.

### **Operations**

The bank's main office is located at 982 Main Street in Walpole. The bank does not operate any other branches. The branch is open Monday through Friday 8:30 a.m. to 5:00 p.m. and Saturday 9:00 a.m. to noon. The bank maintains an ATM at their branch and all deposit accounts are accessible at any ATM machine that displays the NYCE, Cirrus, or SUM® logos. As a member of the SUM/InterCept Program, Walpole Co-operative Bank customers can use any SUM program ATM surcharge-free.

Walpole Co-operative Bank is a full-service financial institution that offers a wide variety of products and services. The bank offers a variety of residential mortgage loans including fixed, adjustable, first time homebuyers, rehab loans, home equity lines of credit, and reverse mortgages. The bank offers commercial and small business loans for the purchase or refinance of commercial mortgages, term loans, lines of credit, letters of credit and Small Business Administration (SBA) loans, (504, 7A and LOWDOC) loans.

The bank also offers deposit products and services including checking accounts, savings accounts, money market, certificates of deposit, and IRAs. Services for businesses include business checking accounts, savings accounts, and business debit cards. The bank's online services include: account access, e-Statements, bill payments, popmoney, 24 hour telephone banking, mobile banking, remote deposit capture, and an education center.

### **Ability and Capacity**

As of September 30, 2016, the bank had total assets of \$465.7 million and total deposits of \$358.6 million. Loans totaled \$373.6 million and represented 80.2 percent of total assets. The bank's net loan-to-deposit ratio, as of the same date, was 102.7 percent.

Walpole Co-operative Bank is primarily a commercial real estate lender. As noted in the table below, approximately 40.7 percent of the loans are commercial real estate, followed by 1-4 family residential loans at 27.2 percent, construction and land development consists of 19.2 percent and multi-family loans represent 8.7 percent.

The following table illustrates the current distribution of the bank's loan portfolio.

<b>Table A - Loan Portfolio Distribution as September 30, 2016</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	71,854	19.2
1-4 Family Residential	103,457	27.7
Multi-family (5 or more) Residential	32,455	8.7
Commercial Real Estate	152,197	40.7
<b>Total Real Estate Loans</b>	<b>359,963</b>	<b>96.3</b>
Commercial and Industrial	13,637	3.7
LESS: Any unearned income	(42)	0.0
<b>Total Loans</b>	<b>373,558</b>	<b>100.0</b>
<i>Source: Reports of Income and Condition</i>		

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 each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Walpole Co-operative Bank designated a single assessment area in Massachusetts that includes Norfolk and Bristol County. The bank's assessment area consists of 20 cities and towns located in Norfolk County: Bellingham, Canton, Dedham, Dover, Foxboro, Franklin, Medfield, Medway, Millis, Needham, Norfolk, Norwood, Plainville, Sharon, Stoughton, Walpole, Wellesley, Westwood and Wrentham; and Mansfield, located in Bristol County. Since the last exam the bank has added Stoughton to its assessment area.

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

The bank's assessment area consists of 70 census tracts that reflect the following income designations according to the 2010 U.S. Census Data.

- 0 low-income tracts
- 2 moderate-income tracts
- 23 middle-income tracts
- 45 upper-income tracts

The two moderate-income census tracts are located in Stoughton.



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

<b>Table B – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Walpole Co-operative Bank</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	70	0.0	2.9	32.9	64.3	0.0
Population by Geography	371,740	0.0	1.2	35.1	63.7	0.0
Housing Units by Geography	138,025	0.0	1.4	38.1	60.6	0.0
Owner-Occupied Units by Geography	104,782	0.0	1.2	34.1	64.7	0.0
Occupied Rental Units by Geography	27,740	0.0	1.6	52.4	46.0	0.0
Vacant Units by Geography	5,503	0.0	2.9	41.7	55.4	0.0
Businesses by Geography	33,492	0.0	1.3	32.9	65.8	0.0
Farms by Geography	740	0.0	1.4	31.8	66.9	0.0
Family Distribution by Income Level	96,512	12.0	12.2	18.6	57.2	0.0
Household Distribution by Income Level	132,522	16.2	11.0	15.2	57.5	0.0
Median Family Income MSA - 14454 Boston, MA MD	83,664	Median Housing Value		482,737		
		Median Gross Rent		1,171		
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA	70,496	Families Below Poverty Level		3.1%		
<i>Source: 2010 U.S. Census and 2015 D&amp;B Data</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The FFIEC median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for Norfolk and Bristol County are presented in the following table.

<b>Table C – Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA MD Median Family Income (14454) (Norfolk County)</b>				
2015 (\$90,000)	<\$45,000	\$45,000 to <\$72,000	\$72,000 to <\$108,000	≥\$108,000
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
<b>Providence-Warwick, RI-MA MSA Median Family Income (39300) (Bristol County)</b>				
2015 (\$74,400)	<\$37,200	\$37,200 to <\$59,520	\$59,520 to <\$89,280	≥\$89,280
2016 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
<i>Source: FFIEC</i>				

The assessment area has a total population of 371,740 residing in 96,512 families. Of all family households in the area, 12.0 percent are low-income, 12.2 percent are moderate-income, 18.6

percent are middle-income, 57.2 percent are upper-income and 3.1 percent are families below the poverty level. Of the 132,522 households, 21,470 or 16.2 percent are low-income and 14,640 or 11.0 percent are moderate-income and 6,772 or 5.1 percent are households that are below the poverty level. This poverty rate typically indicates a reduced ability to secure a mortgage loan, thereby reducing a financial institution's ability to penetrate these markets through residential loan products.

Of the 138,025 housing units, 104,782 or 75.9 percent are owner-occupied and the median housing in 2010 for the assessment area was \$482,737. Additionally, there are a total 27,740 or 20.1 percent of rental units with a median gross rent of \$1,171. Table B shows lower than expected distributions of owner-occupied housing units in the moderate-income tracts. This affects opportunities to make home mortgage loans in these tracts. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

Data obtained from the U. S. Bureau of Labor and Statistics indicated in 2015, the Commonwealth of Massachusetts' unemployment rate was 5.0 percent. In 2015, the unemployment percentage was 4.3 percent for Norfolk County and 6.3 percent for Bristol County.

According to 2015 D&B data, 33,492 non-farm businesses operated within the assessment area. The analysis of small business loans under the Borrower Profile section of the Lending Test compares the distribution of businesses by gross annual revenue (GAR) level. GARs for businesses in the assessment area are below.

- 77.6 percent have \$1 million or less.
- 6.4 percent have more than \$1 million.
- 16.0 percent did not report revenues.

Service industries represent the largest portion of businesses at 51.3 percent, followed by retail trade at 11.2 percent; and construction at 8.8 percent. In addition, 70.0 percent of businesses in the area employ four or fewer people and 90.3 percent of businesses in the area operate from a single location. Included among the largest employers in the assessment area are: Analog Devices, Dunkin Brands Group, Harvard Pilgrim Healthcare and Hollingsworth and Vose Company.

### **Competition**

The bank faces strong competition from other larger financial institutions that originate loans within the assessment area. Competitors of the bank include Needham Bank, Dedham Bank, Middlesex Savings, Eastern Bank and Quicken Loans.

Aggregate home mortgage lending data for 2015 shows that a total of 416 lenders originated 15,699 home mortgage loans within the bank's assessment area. The top three lenders were large national and regional banks and mortgage companies: J.P. Morgan originated 1,269 loans with a market share of 8.1 percent, Wells Fargo originated 767 loans with a market share of 4.9

percent and LoanDepot.Com originated 640 loans with a 4.1 percent market share. Walpole Co-operative Bank ranked 42<sup>nd</sup>, originating 84 loans with a market share of 0.5 percent.

### **Community Contact**

As part of the evaluation process, third parties active in the assessment area are contacted to assist in assessing the credit and community development needs of the community. The information obtained helps to determine whether local financial institutions are responsive to the credit and community development needs of the communities, and what credit and community development opportunities, if any, are available.

Community contact interviews were conducted with a local housing authority and an economic development commission board. Both contacts noted the lack of affordable housing units for the elderly and low- and moderate-income individuals. One of the contacts noted many of the housing applicants have low credit scores and minimal asset levels, resulting in weak housing applications. Given the low credit scores and low asset levels of many of the applicants, the contact stated that opportunities exist for local financial institutions to participate in financial literacy programs.

The second contact stated the need for more small business loan programs, as well as educational seminars for small business owners. The contact stated when a new business comes to town, the owners are not fully aware of what it takes to run a business thus the need for business owners workshops.

Both contacts did mention that local financial institutions are very helpful with financing. Overall, the contacts were pleased with the responsiveness of the local community banks to the area's credit needs.

### **Credit and Community Development Needs and Opportunities**

Examiners considered information gathered from the community contact, the bank, and available economic data to determine the primary credit needs of the assessment area. The bank and the community contact indicated generally strong or improving economic conditions within the assessment area; however, a need for financial literacy is still an issue. Economic data for the assessment area supports this assessment of credit and community development needs in the assessment area. Median housing values within the assessment area of more than \$482,737 make homeownership difficult for low-and moderate-income borrowers.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Walpole Co-operative Bank demonstrated reasonable performance under the Lending Test. The bank's geographic distribution and borrower profile performance provide primary support for this conclusion.

### Loan-to-Deposit Ratio

The net Loan-to-Deposit ratio (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 112.8 percent over the past 20 calendar quarters from December 31, 2011 to September 30, 2016. This ratio is based on loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. The ratio ranged from a low of 102.7 percent as of September 30, 2016, to a high of 124.3 percent as of June 30, 2015. The ratio remained generally stable during the evaluation period. During this time period, net loans have increased 28.0 percent, deposits have increased 32.5 percent and assets have increased 30.7 percent. Examiners selected comparable institutions based on their asset size and geographic location. Walpole Co-operative Bank maintained a higher ratio than that of the comparable institutions as detailed in the following table.

<b>Table D - Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of September 30, 2016 \$ (000s)</b>	<b>Average Net LTD Ratio (%)</b>
Randolph Savings Bank	489,854	73.1
Mansfield Co-operative Bank	482,556	90.7
Walpole Co-operative Bank	465,708	112.8
Norwood Co-operative Bank	441,868	84.6

*Source: Reports of Income and Condition March 31, 2013 - June 30, 2016*

Walpole Co-operative Bank is a member of the Federal Home Loan Bank system and borrows funds to support additional loan commitments. During the evaluation period, the bank sold 221 loans totaling \$51.1 million to the secondary market since the previous evaluation. These loans are not included in the LTD ratio. Based on the above information and the bank's capacity to lend, the capacity of other similarly situated banks, the types of loans offered by the bank, and the lending opportunities available, the bank's LTD ratio is more than reasonable.

### Assessment Area Concentration

As indicated in the table below, the bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area.

<b>Table E - Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2015	84	58.3	60	41.7	144	37,939	46.4	43,805	53.6	81,744
2016	45	53.6	39	46.4	84	14,123	33.9	27,568	66.1	41,691
<b>Subtotal</b>	<b>129</b>	<b>56.6</b>	<b>99</b>	<b>43.4</b>	<b>228</b>	<b>52,062</b>	<b>42.2</b>	<b>71,373</b>	<b>57.8</b>	<b>123,435</b>
Small Business										
2015	86	85.1	15	14.9	101	18,735	81.4	4,292	18.6	23,027
<b>Total</b>	<b>215</b>	<b>65.3</b>	<b>114</b>	<b>34.7</b>	<b>329</b>	<b>70,797</b>	<b>48.3</b>	<b>75,665</b>	<b>51.7</b>	<b>146,462</b>
<i>Source: Evaluation Period: 1/1/2015 – 9/30/16</i>										

### **Geographic Distribution**

This criterion evaluates the distribution of the bank’s home mortgage and small business loans within the assessment area by census tract income level, with emphasis on the low-and moderate-income census tracts. Examiners looked at the number of home mortgage loans in the census tracts and compared them to the aggregate data and the percent of total owner-occupied housing units and small business loans are compared to the business demographics. As previously mentioned in the Description of the Assessment Area, the bank’s assessment area does not include any low-income census tracts and the two moderate-income census tracts were added during this evaluation period. As the bank is just starting to penetrate into the moderate-income census tracts, the bank’s performance pursuant to this criterion was considered to weigh little in the overall rating of this examination.

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

The bank originated one loan or 1.2 percent of its HMDA reportable loans within the moderate-income census tracts which is slightly higher than the aggregate lending (0.9 percent) and is consistent with the owner-occupied housing percentage (1.2 percent) within the assessment area. However, the low volume of loans is such that a small change in numbers has a significant impact on the percentages as noted below.

<b>Table F – Geographic Distribution of Home Mortgage Loans</b>						
<b>Assessment Area: Walpole Co-operative Bank</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2015	0.0	0.0	0	0.0	0	0.0
2016	0.0	--	0	0.0	0	0.0
<b>Moderate</b>						
2015	1.2	0.9	1	1.2	173	0.5
2016	1.2	--	0	0.0	0	0.0
<b>Middle</b>						
2015	34.1	33.4	27	32.1	8,616	22.7
2016	34.1	--	18	40.0	4,528	32.1
<b>Upper</b>						
2015	64.7	65.8	56	66.7	29,150	76.8
2016	64.7	--	27	60.0	9,595	67.9
<b>Not Available</b>						
2015	0.0	0.0	0	0.0	0	0.0
2016	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2015</b>	<b>100.0</b>	<b>100.0</b>	<b>84</b>	<b>100.0</b>	<b>37,939</b>	<b>100.0</b>
<b>2016</b>	<b>100.0</b>	<b>--</b>	<b>45</b>	<b>100.0</b>	<b>14,123</b>	<b>100.0</b>

*Source: 2010 U.S. Census; 1/1/2015 - 9/30/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.*

### **Small Business Loans**

The bank did not originate any small business loans in the moderate-income census tracts.

<b>Table G - Geographic Distribution of Small Business Loans</b>					
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Moderate</b>					
2015	1.3	0	0.0	0	0.0
<b>Middle</b>					
2015	32.9	34	39.5	9,183	49.0
<b>Upper</b>					
2015	65.8	52	60.5	9,552	51.0
<b>Total</b>					
<b>2015</b>	<b>100.0</b>	<b>86</b>	<b>100.0</b>	<b>18,735</b>	<b>100.0</b>

*Source: 2015 D&B Data, 2015 Small Business Bank Records*

## **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small business loans to businesses with GARs of \$1 million or less.

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

As reflected in Table H, the bank's distribution of loans to low-income borrowers, at 3.6 percent, is higher than the aggregate of 2.0 percent. It is noted that lending to low-income borrowers was lower than the percentage of low-income families (12.0 percent) in the area. However, for a significant portion of these low-income families qualifying for home mortgage loans is difficult, especially considering the median housing value is \$482,737 and the average income for a low-income family in Norfolk County is \$45,000, the borrowers would most likely not qualify for a mortgage.

In 2015, the bank originated 9.5 percent of total loans to moderate-income borrowers, which was slightly higher than the aggregate (9.2 percent) and lower than the moderate-income families (12.2 percent).

As of September 30, 2016, the bank originated 45 loans and 1 or 2.2 percent of its home mortgage loans were originated to low-income borrowers and 7 loans or 15.6 percent to moderate-income borrowers.

**Table H – Distribution of Home Mortgage Loans by Borrower Income Level**  
**Assessment Area: Walpole Co-operative Bank**

<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2015	12.0	2.0	3	3.6	456	1.2
2016	12.0	--	1	2.2	126	0.9
<b>Moderate</b>						
2015	12.2	9.2	8	9.5	1,789	4.7
2016	12.2	--	7	15.6	971	6.9
<b>Middle</b>						
2015	18.6	17.9	16	19.0	3,766	9.9
2016	18.6	--	7	15.6	1,791	12.7
<b>Upper</b>						
2015	57.2	52.9	27	32.1	9,621	25.4
2016	57.2	--	24	53.3	7,466	52.9
<b>Not Available</b>						
2015	0.0	18.0	30	35.7	22,307	58.8
2016	0.0	--	6	13.3	3,769	26.7
<b>Totals</b>						
<b>2015</b>	<b>100.0</b>	<b>100.0</b>	<b>84</b>	<b>100.0</b>	<b>37,939</b>	<b>100.0</b>
<b>2016</b>	<b>100.0</b>	<b>--</b>	<b>45</b>	<b>100.0</b>	<b>14,123</b>	<b>100.0</b>

*Source: 2010 U.S. Census; 1/1/2015 - 9/30/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.*



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

The distribution of small business loans reflects adequate penetration of loans to businesses with GARs of \$1 million or less. As shown in the following table, the percentage of loans to businesses with GARs of \$1 million or less (54.7 percent) is considerably less than the percentage of businesses with GARs of \$1 million or less (77.6 percent).

<b>Table I - Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
≤ \$1,000,000					
2015	77.6	47	54.7	9,033	48.2
> \$1,000,000					
2015	6.4	38	44.2	9,437	50.4
Revenue Not Available					
2015	16.0	1	1.1	265	1.4
<b>Total</b>					
<b>2015</b>	<b>100.0</b>	<b>86</b>	<b>100.0</b>	<b>18,735</b>	<b>100.0</b>
<i>Source: 2015 D&amp;B Data, 2015 small business bank records</i>					

### **Response to Complaints**

The bank did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not impact the Lending Test rating.

## **COMMUNITY DEVELOPMENT TEST**

The Community Development Test evaluates the bank's responsiveness to the community development needs of its assessment area through the provision of community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area. The bank's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area.

### **Community Development Loans**

During the evaluation period, the bank originated 29 community development loans totaling \$15.3 million. The bank's community development lending includes 17 loans totaling \$8.4 million outside the assessment area to entities that serve within the broader regional area that includes the assessment area. Although these loans do not directly benefit the assessment area, the bank has been responsive to the community development needs of its assessment area; therefore, these loans received consideration under the Community Development Test. During the previous evaluation the bank originated 27 community development loans totaling \$29 million.

Listed below are the qualified community development loans:

- The bank originated 20 SBA 504 loans totaling \$14 million to local businesses during the evaluation period. The SBA 504 Loan program is designed to provide financing for the purchase of fixed assets (real estate, buildings, and machinery). The development of these businesses creates employment opportunities and promote economic development.
- During the evaluation period, the bank funded the construction of nine 40B housing units, totaling \$1.3 million. Chapter 40B housing is a program created by Massachusetts in 1969 to allow developers to override local zoning bylaws in order to increase the stock of affordable housing in municipalities where less than 10 percent of the housing stock is defined as affordable. Chapter 40B also enables local zoning boards of appeals to approve affordable housing developments under flexible rules if at least 20-25% of the units have long-term affordability restrictions.

### **Charitable Contributions**

During the examination period the bank donated \$436,207 to charitable organizations of which \$53,022 or 12.2 percent were qualified CRA contributions. During the last examination, the bank made 50 qualifying contributions totaling \$54,000. These funds primarily support organizations that provide community services to low- and moderate-income individuals and families.

The table below details all qualified donations made by the bank by year and community development category.

Activity Year	Qualifying Category										Totals	
	Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization		Neighborhood Stabilization Projects			
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
<b>2012</b>	2	1,082	14	10,160	0	0	0	0	0	0	16	11,242
<b>2013</b>	2	280	15	7,174	0	0	0	0	0	0	17	7,454
<b>2014</b>	1	482	15	11,742	0	0	0	0	0	0	16	12,224
<b>2015</b>	1	482	15	13,560	0	0	0	0	0	0	16	14,042
<b>*2016</b>	2	701	11	7,359	0	0	0	0	0	0	13	8,060
<b>Total</b>	<b>8</b>	<b>3,027</b>	<b>70</b>	<b>49,995</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78</b>	<b>53,022</b>

*Source: Bank Records - \*\*From January 1, 2016 through November 28, 2016.*

Samples of the organizations receiving donations are listed below:

**RB Foundation** - The RB Foundation was started to focus on local hockey families in need of assistance. Today, the RB Foundation provides all families in the community with financial

assistance during unforeseen difficult times. The foundation is funded entirely by private and corporate donations, fundraising and gala events.

**Gifts for Kids** - For over 25 years, the Gifts for Kids program has helped ease the financial burden for families in need during the holiday season. Children identified by human service providers in communities in and around Norfolk County receive holiday gifts.

**Elder Dental Program** – This community based, non-profit program is dedicated to helping low-income adults, age 60 and older, dental care at greatly reduced costs. The program relies on local dentists who volunteer to treat patients.

**Food Pantries** - Walpole Co-operative Bank has annually donated to food pantries throughout the assessment area. These include: United Congregational Church, Epiphany Parish, Norwood Ecumenical Food Pantry, Walpole, Wrentham, and Plainville Food Pantries.

**St. Vincent de Paul Society** – The mission of this organization is to offer hope and services to the poor and suffering on a direct person-to-person basis, working to break the cycles of homelessness, substance abuse and violence.

**New Life Home Refurnishing** – This not-for-profit organization serves as a furniture bank that collects gently used furniture that is then made available to individuals and families in need.

### **Community Development Services**

Walpole Co-operative Bank provides community development services in the form of employee involvement, educational seminars, and other services. The following lists a sample of the bank's involvement in community development services during the evaluation period.

#### ***Employee Involvement***

**HESSCO** – HESSCO's Money Management Program is free and assists low-income individuals aged 60 or over who have difficulty paying their bills on time or managing their money. Services include organizing bills, writing checks for payment, balancing checkbooks, reviewing bank statements and developing a budget. The Vice President of Residential Lending is a member of HESSCO's Money Management Advisory Board.

**Bay Colony Development Corporation** – Bay Colony is a certified community development corporation whose purpose is to stimulate economic development through the creation and preservation of jobs by providing companies with fixed asset financing at affordable rates and reasonable terms. The Senior Vice President Senior Lender is a member of the Advisory Board.

#### ***Educational Seminars***

During the evaluation period, the bank sponsored 14 first-time homebuyer workshops in partnership with Neighborworks of Southern New England. The workshop is an eight hour course held in two four hour sessions. Topics included: down payment and closing costs assistance; credit and budgeting; the mortgage process; mortgage programs; homeowner's

insurance; home inspections; working with real estate agents; purchase and sales agreement and closing on your bank loan.

On June 18, 2014, the bank presented a social media strategist workshop to train small business owners on how to set up websites, how to make use of social media, how to build the value and enhance social relationships on line.

In 2015, the bank hosted an event for 14 HESSCO money management volunteers regarding financial abuse scams involving elders. HESSCO's programs are free and assists low-income individuals aged 60 or over who have difficulty paying their bills on time or managing their money and have no family or friends to help them. The Bill Payer Program provides valuable one-on-one money management services to low-income consumers who need assistance with their financial affairs. These services include organizing bills, writing checks for payment, balancing checkbooks, reviewing bank statements and developing a budget.

### ***Other Services***

On May 5, 2011, the Treasurer's office formally launched the Small Business Banking Partnership, an initiative that invests state reserve funds into Massachusetts community banks with the understanding that the financial institutions will use the deposits to make new loans to small credit-worthy businesses. Small Business Banking Partnership is a new initiative that will shift at least \$100 million in state deposits under the control of the Treasurer to qualifying Massachusetts banks to promote small business loans. The partnership aims to move money into smaller regional, community, and local banks that have been at the forefront of providing capital to creditworthy small businesses to help them expand and create new jobs. As of September 30, 2016, the bank made a total of 189 small business loans with a committed balance of \$32 million.

The bank participates in the Interest on Lawyers' Trust Accounts (IOLTA). Lawyers place large client deposits, such as escrow accounts, in interest bearing accounts, with the interest to be paid to the client. Deposits that would individually be too small or too short-term to generate interest are pooled into IOLTA accounts. Interest earned on the account is utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients.

The bank participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking in Massachusetts program. This statewide program is designed to offer low cost checking and savings accounts to low- and moderate-income individuals.

### **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

### *Fair Lending Policies and Procedures*

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

#### **Minority Application Flow**

The bank's HMDA LARs for 2015 and 2016 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 2010 U.S. Census Data, the bank's assessment area contained a total population of 371,740 individuals of which 12.4 percent are minorities. The assessment area's minority and ethnic population is 3.1 percent Black/African American, 4.6 percent Asian, 0.1 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, 2.8 percent Hispanic or Latino and 1.7 percent other.

In 2015, the bank received 98 HMDA reportable loan applications from within its assessment area. Of these applications, 2 or 2.0 percent were received from minority applicants, of which 2 or 100.0 percent resulted in originations. The aggregate received 20,492 HMDA reportable loan applications of which 1,854 or 9.1 percent were received from minority applicants and 515 or 27.8 percent were originated. For the same time period, the bank also received 1 or 1.0 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 1 or 100.0 percent were originated versus the aggregate that received 507 applications or 2.5 percent of which 359 or 70.8 percent were originated.

For 2016, the bank received 62 HMDA reportable loan applications from within its assessment area. Of these applications, 1 or 1.6 percent were received from minority applicants, which did not result in an origination. For the same time period, the bank did not receive any applications from ethnic groups of Hispanic origin within its assessment area.

The bank's level of lending was compared with that of the aggregate's lending performance level for the most recent year that data was available, the year 2015. 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 following table for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

<b>MINORITY APPLICATION FLOW</b>					
<b>RACE</b>	<b>Bank 2015</b>		<b>2015 Aggregate Data</b>	<b>Bank 2016</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>
American Indian/ Alaska Native	0	0.0	0.1	0	0.0
Asian	1	1.0	5.3	1	1.6
Black/ African American	0	0.0	2.0	0	0.0
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	1	1.0	1.5	0	0.0
<b>Total Minority</b>	<b>2</b>	<b>2.0</b>	<b>9.1</b>	<b>1</b>	<b>1.6</b>
White	53	54.1	67.9	45	72.6
Race Not Available	43	43.9	23.0	16	25.8
<b>Total</b>	<b>98</b>	<b>100.0</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	<b>0</b>	<b>0.0</b>	<b>1.4</b>	<b>0</b>	<b>0.0</b>
Not Hispanic or Latino	53	54.1	74.3	43	69.4
Joint (Hisp/Lat /Not Hisp/Lat)	<b>1</b>	<b>1.0</b>	<b>1.1</b>	<b>0</b>	<b>0.0</b>
Ethnicity Not Available	44	44.9	23.2	19	30.6
<b>Total</b>	<b>98</b>	<b>100.0</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>

Source: US Census 2010, HMDA Aggregate Data 2015 and HMDA LAR Data 2015 and 2016

The bank's overall racial and ethnic minority application flow was below both the demographic composition of the assessment area and aggregate data in 2015.

## 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 the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

**Community Development Service:** A service that

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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

**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-Estimated 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 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:** Performance under the applicable tests is analyzed using only quantitative factors (for example, 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.

## 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, 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 982 Main Street, Walpole, MA 02081.

[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.